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## NEWS SUMMARY

### GENERAL

#### Boost for Concorde as noise rule is vetoed

A proposed noise rule that would have barred Concorde from New York's Kennedy Airport from 1985 has been vetoed by Governor Brendan Byrne of New Jersey.

President Carter told Mr. James Callaghan and President Valéry Giscard d'Estaing of the move yesterday, after Governor Byrne had refused to approve minutes of a meeting of the Commissioners of the Port Authority of New York and New Jersey when they adopted the proposed noise regulations.

The Port Authority will have to reconsider its position if it still wishes to ban Concorde some time in the future. Page 4

### BUSINESS

#### £ rises sharply; gilts advance

STERLING rose strongly, reflecting optimism about the U.K. economy as well as continued weakness of the dollar. The pound touched \$1.9062, its highest level since March last year, before closing at \$1.8950, a gain of 3.10 cents from Friday.

Its trade-weighted index closed at 64.8 (64.1) after touching 63.0. Dollar's trade-weighted depreciation was 4.58 per cent. Back Page

GILTS advanced as stock market sentiment was buoyed by the strength of sterling and hopes for a further cut in interest rates. Long-dated stocks gained up to 1 and shorts up to 1. The FT Government Securities Index rose 0.34 to 77.84.

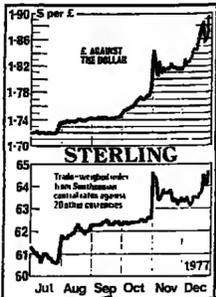
EQUITIES also gained ground. The FT 30-Share Index closing at the day's best of 490.4, up 6.7. Gold Mines strengthened.

GOLD rose \$2.75 to \$164.875.

WALL STREET was down over four points at its low, but came back to close unchanged on the day at \$29.70.

U.S. TRADE deficit narrowed to \$2.1bn. last month and the year's deficit is likely to be less than the Administration feared. Back Page

JAPAN seems likely to cut its bank rate again next month to stimulate business activity. Back Page. Japanese moves on trade. Page 3. Aid in Japanese ship-building suppliers. Page 13



#### Carter tour

President Carter arrives in Poland today to start a nine-day tour which will also take in Iran, India, Saudi Arabia, France and Belgium. While in the Middle East, he will try to use his influence to get other Arab states to take a more enthusiastic view of the Israeli-Egyptian peace talks. Page 4

#### Task for Soares

Portugal's outgoing Prime Minister, Mario Soares, who was defeated in a confidence vote recently, has been asked by President Eanes to start consultations leading to the formation of a second constitutional government. The move ends three weeks of talks between the two leaders and the President. Page 2

#### Restive firemen

Mr. David Shepherd, member of the executive of the Fire Brigades Union for South-East England, where firemen voted yesterday in favour of recalling the union conference which alone can end their strike, said there might be a return to work in the region unless there was a speedy end to the strike, now in its seventh week. Page 6

#### Talks resume

Peace talks aimed at leading Rhodesia to black majority rule before the end of 1978, will resume in Salisbury today. The talks broke up before Christmas with the problem of guaranteeing the white population a secure future under the new system unresolved. Page 5

#### Professor shot

Kara University has closed for a year after a professor of physics was shot by a student. The life of Professor in Senegal, shot six times by gunmen who broke into his quarters, was saved by an emergency operation. The university said it will keep classes closed until free to teach and learn and life is restored. 4; Editorial comment, 10

#### Members found

London climbers lost in the Cornish, were found safe and in a remote valley after being rescued Tuesday night in a storm.

Infant, clearly marked, died on a boat last night at Victoria Hospital when it was injured.

Earthquake in the Red Sea measuring 6.6 on the open Richter scale, was feared by observatories in India and Sweden.

Becker (13), a West German urban guerrilla, has been sentenced to life imprisonment in a Stuttgart court.

Fascist party official was shot in Rome as he went into a Fascist rally in Rome. Four political extremists were wounded in Italy in five days.

#### PRICE CHANGES YESTERDAY

1 pence unless otherwise indicated

RISES

4 1/2% (1974-1977) + 1

10% (1974-1977) + 1

11% (1974-1977) + 1

12% (1974-1977) + 1

13% (1974-1977) + 1

14% (1974-1977) + 1

15% (1974-1977) + 1

16% (1974-1977) + 1

17% (1974-1977) + 1

18% (1974-1977) + 1

19% (1974-1977) + 1

20% (1974-1977) + 1

FALLS

12% (1974-1977) - 1

11% (1974-1977) - 1

10% (1974-1977) - 1

9% (1974-1977) - 1

8% (1974-1977) - 1

7% (1974-1977) - 1

6% (1974-1977) - 1

5% (1974-1977) - 1

4% (1974-1977) - 1

3% (1974-1977) - 1

2% (1974-1977) - 1

1% (1974-1977) - 1

## Textron chief is named by Carter as Fed. chairman

BY DAVID BELL: WASHINGTON, Dec. 28

President Carter took the U.S. financial community by surprise to-night with the announcement that Mr. William Miller, chief executive of Textron, was to succeed Dr. Arthur Burns as chairman of the Federal Reserve.

Mr. Carter's announcement, on the eve of his first extended overseas trip, thus brings an abrupt end to months of speculation about the future of Dr. Burns.

Dr. Burns' determination to make the fight against inflation his first priority and his fierce independence have won him the deep respect and unqualified admiration of bankers and businessmen in his eight years of office.

To-night Mr. Miller said that he had great admiration for Dr. Burns' policies, but that it was clear that there was a need to work on inflation and unemployment at the same time.

It would also be a great advantage if there was "harmony" between the fiscal policies of the Administration and the Fed.

### Confident

Although it was too early to-night for any considered reaction to Mr. Miller's appointment, there was some concern on Wall Street that he might turn out less independent than Dr. Burns.

In an oblique reference to this, Mr. David Rockefeller, chairman of Chase Manhattan Bank, said that he was "confident that Mr. Miller will fully understand the importance of maintaining the independence of the Fed, especially in connection with the all-important battle against inflation."

Dr. Burns seemed to have no such worries.

In a gracious statement the chairman said: "This is a good Lower profile at Budget Office Page 4

## Both sides urge rethink after Mid-East summit

BY ROGER MATTHEWS IN CAIRO AND L. DANIEL IN TEL AVIV

THE LEADERS of Egypt and Israel both made clear yesterday that the other side would have to think again if there was to be progress toward peace in the Middle East after the lack of success of the Christmas Day Ismailia summit.

Mr. Menahem Begin, the Israeli Prime Minister, told the Knesset that Egyptian Foreign Ministry officials who thought they could bring international pressure to bear on Israel to shift her position were mistaken.

Anyone who wanted to make an agreement with Israel would have to accept that it was "completely out of the question" for Israel to withdraw her forces from the West Bank of the Jordan.

In Cairo the extent of Egyptian disillusionment with Israel's Middle East proposals was revealed when President Anwar Sadat asked Mr. Begin's Government to rethink its whole approach to the problem.

Mr. Sadat, after a Press conference to mark the arrival in Cairo of West German Chancellor Helmut Schmidt, repeated that Egypt was totally opposed to the presence of Israeli troops on the West Bank.

Egyptian officials continue to stress the progress already made in meetings between the two sides, and the importance of the fact that for the first time Israel is making concrete concessions, however unacceptably.

Mr. Sadat asked the Israelis to take a fresh look at the situation in the light of his November 20 visit to the Knesset and the Ismailia meeting, because these events had "built new facts in the open and new concepts and approaches to the whole issue."

The Egyptian position, he said, was always stated as complete withdrawal of all Israeli forces from occupied Arab territory and the right of the Palestinians to their own State on the West Bank and in the Gaza Strip.

Later, in a delayed birthday address to the nation, Mr. Sadat emphasised that the Arab quarter of Jerusalem had to form part of the Palestinian State.

### Begin's details

The task for the political committee due to meet under the aegis of the Cairo conference next month is thus shown to be substantial, and perhaps impossible without really significant movement by both sides.

Mr. Cyrus Vance, U.S. Secretary of State, will attend the next month's Foreign Affairs conference in Jerusalem in mid-January, said U.S. and Israeli officials.

In Jerusalem Mr. Begin emphasised that Israel had "done her part" and that it was "up to the other side" to make concessions.

He gave details of the plan—overwhelmingly endorsed by the Knesset—which he took to Ismailia on Christmas Day. It provides for the Arabs of the Gaza Strip and the West Bank to elect an 11-man administrative council to run civilian affairs, leaving security and public order in the hands of the Israeli authorities.

Mr. Begin proposed demilitarisation of most of Sinai, with thinned-out Egyptian forces remaining west of the strategic Giddi and Mitla passes. Either a UN force or a joint Israeli-Egyptian force would guarantee freedom of shipping in the Straits of Tiran, Israel's access to the Red Sea.

It was officially stated in Israel yesterday that Mr. Moshe Dayan, the Foreign Minister, who was mysteriously missing from a Cabinet meeting on Tuesday flew to Tehran for talks with the Shah of Iran. But Iranian Foreign Ministry officials denied that Mr. Dayan was there.

The rejectionist Arab States which oppose Mr. Sadat's peace initiative will hold a second summit in Algiers on January 8, according to sources close to them.

The countries are Libya, Syria, Saudi Yemen and Algeria, plus the Palestine Liberation Organisation. Efforts are being made in persuade Iraq, which walked out of the previous summit meeting in Tripoli, Libya, to join the new conference.

Mr. Sadat again lashed out in his broadcast at his Arab critics and at the Soviet Union.

He claimed that 98 per cent of Syrians favoured his peace initiative.

Peace Plan Page 5

## Imports of vehicle components hit U.K. manufacturers

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

VEHICLE COMPONENT manufacturers, the main strength of the motor industry for the past decade, have suffered a large reversal in the last year from expanding imports.

According to industry figures imports of components and accessories were a record £260m. in the first 10 months of the year, 73 per cent more than a year before.

Several reasons

This compares with exports of £130m., an increase of only 24 per cent. The figures mean that the balance of trade in components, the difference between what the industry earns and sells overseas, came to £130m. compared with £72m. in 1976, the first time that the export balance has fallen to grow for many years.

Foreign component companies known to have taken advantage of these opportunities include Bosch, the German electrical concern; Cible, the French headlamp manufacturer; and Duelleir, French associate of Lucas which makes a similar range of electrical products.

Several smaller Continental manufacturers have gained a U.K. foothold in the last few months.

Another factor adding to imports is the increase of foreign cars in Britain. They are becoming a more significant market for replacement parts as the age of the average imported vehicle grows.

Recent record

Many of these cars are serviced through their own dealer networks, using parts produced in the country of origin. Datsun, Renault and Fiat have all recently opened large new parts warehouses in Britain to cater for this demand.

Though the growth of imports has caused considerable alarm to the Government and the components industry, which already suffers at home from the problems of U.K. vehicle-assemblers, there are hopes that the recent record will prove a temporary aberration.

For one thing, the multi-

Continued on Back Page

## Talks on Scots pit incentives agreed

By Ray Perman, Scottish Correspondent

MILITANT delegates representing Scottish miners yesterday bowed to pressure from individual pits and voted to open talks with the National Coal Board on an area incentive scheme.

The move is a significant setback to Leftwing resistance to productivity agreements and follows the failure a week ago of a High Court action by the Yorkshire, South Wales and Kent areas of the National Union of Mineworkers to block local schemes.

A ballot of miners in Yorkshire, where there have also been demands from pits, is to be held in two weeks time.

The Scottish decision reverses a vote last month threatening industrial action if a scheme was introduced anywhere in Britain.

Union leaders will now begin exploratory talks with the National Coal Board and will report back to a further delegate conference on January 16.

Miners at the Solgirth Colliery, the top producing pit in Scotland, who staged a five-day strike last month in favour of an incentive scheme, will discuss the position to-day. Their delegate, Mr. Harry McLean, said that they were likely to continue their overtime ban until a satisfactory scheme had been introduced.

The Coal Board's Scottish director, Mr. James Cowan, said that measurements would begin immediately, since if agreement was reached it could be made retrospective.

"It will be a challenge to the management and unions at the pits to set standards so that for equal extra effort there will be equal extra payment. Great care will be taken by the Board to have a uniform area approach."

Productivity in Scotland is well below that of the U.K. as a whole and fell by 0.6 per cent last year to 85.6 cwt. per man shift. Mr. Cowan said an incentive scheme could be the start of stabilising output.

Announcing the conference decision, Mr. Mick McGahey, leader of the Scottish miners, said that delegates had recognised the facts of life. "We have always said that the Scottish area would get isolated, nor would we see living standards decline in relation to miners in other coalfields."

Mr. McGahey also announced the result of the ballot for general secretary of the Scottish area of the union and for an executive member, positions made vacant last month by the death of Mr. Bill McLean.

Both were won by Mr. Eric Clarke, a Labour left-winger. The balance between militants and moderates on the executive of the NUM is not changed.

## U.K. will repay \$2bn. next year

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN IS likely to repay at least \$2bn. (£1,050m.) of its official overseas borrowings next year. This is equivalent to more than two-thirds of the expected \$3.9bn. current account surplus for 1978.

An announcement is expected within the next few weeks that the U.K. will repay in stages before the due dates in 1979-80 the \$830m. first credit tranche from the International Monetary Fund drawn in the spring of 1976.

A further \$950m. of borrowing overseas by nationalised industries and other public corporations matures and has to be repaid next year.

In addition, the recently started policy of early repayment of some public-sector debt is likely to be on a larger scale in 1978 where this is attractive on interest rate grounds and helps to improve the repayment foreign debt is cheap and can be refinanced.

However, there is no large immediate scope for refinancing. This is because only limited amounts of money can now be raised for longer than five or seven years and the aim is to extend maturities on borrowing into the late 1980s beyond the current repayment peak.

Available opportunities of raising the long-term loans will be taken. An example is the recent National Coal Board 10-year U.K. against more than \$200m. of official reserves. But, in view of the sizeable proportion of short-term liabilities in the reserves, Britain is likely to move cautiously on further repayment.

The action on the first credit tranche is likely to be presented as support for the international financial community, in view of the Fund's shortage of available resources.

Thus, it looks less likely that the \$2bn. drawn on the oil facility—a special credit facility created after the 1973-74 oil price rises—will be repaid early as this will not help the Fund itself.

### Confident

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In an oblique reference to this, Mr. David Rockefeller, chairman of Chase Manhattan Bank, said that he was "confident that Mr. Miller will fully understand the importance of maintaining the independence of the Fed, especially in connection with the all-important battle against inflation."

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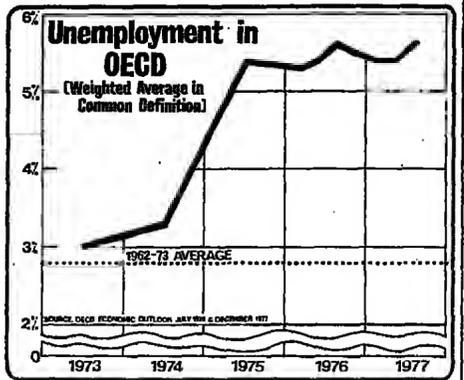
LOMBARD

OECD wolf is really there

BY SAMUEL BRITTAN

WE ALL know the old story of the boy who cried "Wolf!" as a hoax so many times that when there really was a wolf no one would believe him. The OECD in Paris—a sort of NIESR in exile—has so frequently warned that growth will be too slow and that governments must act to...

The call for a stimulus is written in language which is almost a caricature of all that is wrong to economic forecasting, fine-tuning and demand management. We are warned that we have fallen behind the growth path laid down in a so-called strategy for medium term output and unemployment by 1980—assumed optimistically to be achievable without an inflationary explosion.



TV Radio

- BBC 1: 9.35 a.m. The Wombles. 9.40 Jackanory. 9.55 Daughter of the Sun. 10.15 Adventure in the Danube Delta (part 2). 10.40 Flash Gordon Conquers the Universe (part 7). 11.00 Elvia in "It Happened At The World's Fair". 12.40 p.m. 110-day News. 1.50 The Mystery of Loch Ness. 1.40 Heads and Tails; Day Begins. 1.55 "My Side Of The Mountain" with Teddy Eccles and Theodore...

F.T. CROSSWORD PUZZLE No. 3,554

Crossword puzzle grid with numbered squares and clues. The grid is 15x15. Clues include: 1 Dupe of pussycot (7), 2 Birth is becoming a bome product (7), 3 Unusual thing to be noseey without us (5), 4 At rest without a protest (5, 4), 5 Intelligence to tolerate paper show (4, 5), 6 Article next to ship falls into (15), 7 Long time getting to Polo (5), 8 Close to having visible objective (3, 2, 4), 9 Gate receipts to which teams are partial (4, 5), 10 Imagine daughter with lots of paper (5), 11 Maybe Poe's a fabulous writer to (5), 12 Hoarding account to give to directors (9), 13 After that time depend on yours in correspondence (9), 14 Europeans come to Westminster with the Saints (5), 15 Command of a 28 (7), 16 Party with Frenchman at bouie that is for teacher (7), 17 Dyeed in the wool in Reading possibly (9), 18 Smooth youth leader uses language with more than one meaning (5), 19 Factory worker was reversing cutter (7), 20 Part of harness depending on sense of smell a bit (4-5), 21 Showed how Dickens initially is acted (9), 22 Repeating it takes ooe quarter share (9), 23 West-end price of freedom is framed in doorway (7), 24 Does Tim disturb dress-maker? (7), 25 Noisy cavity is upset over students union (5), 26 Well built and full of complaints (7), 27 Brush is second-class some might say (5), 28 Solution to Puzzle No. 3,553.

BUSINESS AND THE COURTS

Need to draft laws in broader strokes

BY A. H. HERMANN, Legal Correspondent

THE YEAR that has almost gone has not brought any great change in the relationship between business and the courts, but an awareness of the urgent need for such a change increased immensely.

It has been realised that the explosion of Britain's statute book, from a mere 203 pages at the turn of the century to thousands of verbose statutes which now fill shelves of law libraries, will soon be matched by the influx of EEC secondary legislation and further aggravated by the need to know more about foreign courts; factors which will be impossible to avoid under the European Convention on Judgments and Jurisdiction.

The entrepreneurial response in the needs of businessmen to know more about the law took the form of a plethora of conferences on legal subjects organised by the Law Society (and in particular its European Group), by the Bar Association for Finance, Commerce and Industry, by accountants, patent and trade mark agents, by the Financial Times and specialist organisations like Legal Studies and Services and the European Study Conferences.

Blue Braes ready

RICHARD HEAD, whose game King George VI Chase runner-up, Uncle Bing, is now thought to be little behind his illustrious stable companion, Border Incident, could well spring a surprise at Warwick today through Blue Braes.

RACING

popular Upper Lambourn trainer to be a useful character in the making, has had just two runs over the minor obstacles. A remote—though not disgraced—eighth of 18 behind Glorious Devon at Newbury on November 9, Blue Braes then stepped up on the Dorset when ninth in the chump-of newcomer to the winter game, Ruby Wine.

These range from proposals that language should be simplified and that graphical presentation of statute should make understanding easier to the much more fundamental proposals concerning the method of legislating itself. Is it really possible, in this complex and fast changing world of business, to continue the futile attempts to provide in statute for the unforeseeable, to bind the citizen and the judge to the letter of the law rather than to its spirit.

The flood of legislation is already too great, and too fast moving to be grasped even by the best trained brains, given the archaic form in which it is drafted—and its digestion and redrafting for practical use takes much too long. It is therefore gratifying that in the course of the year the Law Commission has been joined by several new voices calling for a better drafting of statutes.

Stirred by the Royal Commission's questions, some people are asking whether a trial by money (which a litigant can afford to spend) is any more civilised than a trial by fire. One revolutionary idea was half adopted in the course of courts along with barristers, whether the time has come for the two branches of legal profession—with a hope of reducing the cost of litigation—is still being debated.

Post for Sir Ronald McIntosh

Sir Ronald McIntosh, who retired as director-general of the National Economic Development Office at the end of this month, is to join the Board of the LONDON AND MANCHESTER ASSURANCE COMPANY from January 1.

Mr. M. D. Knight has been appointed secretary of the THOMSON ORGANISATION from January 1 in succession to Mr. James Evans, who has joined the Board. Mr. M. C. Crowle will be deputy secretary and continue as registrar.

Mr. G. L. Williamson retires as international representative and London adviser to the general manager of CREDIT SUISSE on December 31.

Mr. R. F. Schofield, former general manager of TIME ASSURANCE SOCIETY, has become chairman in place of the late Mr. George Parritt.

Mr. Geoffrey A. Robinson is resigning at the end of this year as chairman of NORTH COAST SHIPREPAIRERS, South Shields, which was taken over by British Shipbuilders in July. At the same time he will also give up the chairmanship of four subsidiaries, Middle Dock, Mearns, the Dry Dock, Brigham and Cowan, South Shields, and Brigham and Cowan (Hull).

Mr. David Mason will become managing director of RELIANCE ENERGY (EALPAK), a subsidiary of Reliance Knitwear Group, from January 1. He succeeds Mr. Faraz Peters, who is retiring.

Mr. A. R. Woodard has joined the Board of LUXFER HOLDINGS as technical director in addition to his position as associate director of Alcan Laboratories. Mr. Woodard was recently appointed Visiting Professor in Metals and Materials Science at the University of North Aston, Birmingham.

Mr. Keith Fox has left TEMPLETON GRAYS CARPETS to take up a similar post with BLACKWOOD BROTHERS, a member of the Dawson International group. Mr. Tony Easter, chief of the new division of British Carpets, has become executive chairman of TG with special responsibility for marketing, sales and commercial department. Mr. John Gardner, TG production director, has been appointed to the new position of director of operations.

The PLESSEY GROUP states that Mr. Eric Fry is leaving the company under early retirement arrangements. Mr. Fry has been absent due to a series of complications following an operation in his left leg.

Mr. I. G. Rneib is to retire from his directorships of the LIFE ASSOCIATION OF SCOTLAND and ORION INSURANCE on December 31 and Mr. O. Hattink is being co-opted to both Boards.

Mr. George Ward has been appointed sales director of NORTHERN WESTMINSTER from January 1.

Mr. G. S. Giles and Mr. J. J. Taylor have been appointed managers of BARRING BROTHERS AND CO. from January 1.

Mr. Bill Gray is to become managing director of First Coating Systems on January 1. Mr. Gregg, who succeeds Mr. Gordon Barrett, will also join the Board of Plessey International, the holding company.

Mr. Peter H. Robinson has been appointed a director of FS ASSURANCE from January 1.

Mr. G. A. Smith has been appointed to the Board of DAWSON INTERNATIONAL as group technical director. Mr. Smith joined the company in 1962 in charge of research and development. He is Deacon of the Galashiels Manufacturers Corporation.

Mr. R. W. St. John is to retire from the South East regional Board of LLOYDS BANK from January 1. Mr. Kenneth Winkles has been made a part-time member of the Authority in succession to Mr. Malcolm Wells, for a period of three years. Mr. Winkles is a full-time member of the CIVIL AVIATION AUTHORITY for a further term of two years. Mr. Winkles has been made a part-time member of the Authority in succession to Mr. Malcolm Wells, for a period of three years. Mr. Winkles is a full-time member of the CIVIL AVIATION AUTHORITY for a further term of two years.

of courts along with barristers, whether the time has come for the two branches of legal profession—with a hope of reducing the cost of litigation—is still being debated.

Of perhaps even greater interest to business is the proposal that directors should longer be precluded from appearing in courts on behalf of their companies. Even as absurd is the denial of access to courts to barristers employed in the legal departments of companies. The argument is that they could not be expected to be bound by the duty to a court in the same degree as a barrister in chambers, frequently asserted but believed by anybody familiar with the practice.

Employed barrister will not, his status by tricking the client's interest by not de chambers will not risk colleague could do to put the case of those who bring him in the best possible light.

Mr. Hattink is a member of executive Board of Nations Nederlanden N.V.

Dr. David J. Timmarsh has been appointed to the Board of BARRING BROTHERS AND CO. having been the Benrose Corporation and Dr. Timmarsh now becomes managing director of Benrose Spcialist Print (formerly Benrose General Print) having been general manager since March 1977.

Mr. A. W. R. Wheatley, general manager of the AUSTRALIAN MUTUAL PROVIDENT SOCIETY, is to retire in May. Mr. W. G. Walters, life insurance manager, has been appointed from January 1 and Mr. D. Walker, life insurance operations manager, P. A. Grace, corporate services and data processing, and Mr. V. G. Walters, life insurance manager, will be appointed to the METTOY COMPANY in an apprenticeship, has been appointed a director from January 1. Mr. Howard W. Fairbank, retiring from the Board at the end of this year, will continue as a consultant.

Mr. Willis P. Stone III has been appointed vice-president and manager, operations, of TEXACO PRODUCTION SERVICES in London. He succeeds Mr. G. Morgan Bell who has retired.

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Mr. A. W. R. Wheatley, general manager of the AUSTRALIAN MUTUAL PROVIDENT SOCIETY, is to retire in May. Mr. W. G. Walters, life insurance manager, has been appointed from January 1 and Mr. D. Walker, life insurance operations manager, P. A. Grace, corporate services and data processing, and Mr. V. G. Walters, life insurance manager, will be appointed to the METTOY COMPANY in an apprenticeship, has been appointed a director from January 1. Mr. Howard W. Fairbank, retiring from the Board at the end of this year, will continue as a consultant.

Mr. Willis P. Stone III has been appointed vice-president and manager, operations, of TEXACO PRODUCTION SERVICES in London. He succeeds Mr. G. Morgan Bell who has retired.

Mr. Bill Gray is to become managing director of First Coating Systems on January 1. Mr. Gregg, who succeeds Mr. Gordon Barrett, will also join the Board of Plessey International, the holding company.

Mr. Peter H. Robinson has been appointed a director of FS ASSURANCE from January 1.

Mr. G. A. Smith has been appointed to the Board of DAWSON INTERNATIONAL as group technical director. Mr. Smith joined the company in 1962 in charge of research and development. He is Deacon of the Galashiels Manufacturers Corporation.

Mr. R. W. St. John is to retire from the South East regional Board of LLOYDS BANK from January 1. Mr. Kenneth Winkles has been made a part-time member of the Authority in succession to Mr. Malcolm Wells, for a period of three years. Mr. Winkles is a full-time member of the CIVIL AVIATION AUTHORITY for a further term of two years.

Employed barrister will not, his status by tricking the client's interest by not de chambers will not risk colleague could do to put the case of those who bring him in the best possible light.

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Limbering up for the slopes

EARLY SEASON adventures, and the discovery that a skilful skier was a somewhat sniggering in December than it had been in April, has turned my attention to pre-ski exercises. With a couple of weeks to go before the next snowy plunge there is not much time left, but perhaps something can be achieved.

My cynicism about exercises designed for skiers generally is that they tend to think that all skiers use the same muscles which is nonsense. The ace is probably placing a far greater strain on his thighs and back than any beginner.

However, someone going to the slopes for the first time should be prepared for the fact that they, unlike the expert, are going to give their knees some unusual twists and that the front muscles of the lower legs will come in for some punishment. In both cases it is because the novice tends to fight the snow rather than relaxing and enjoying it. Best medicine for that is to stop you going it.

Exercises ahead of time, for the novice at least, should be aimed at giving the knee more cartilage trouble, and at strengthening the lower leg muscles.

Don't try anything too energetic as far as the knees are concerned, you could give yourself the very injuries you are trying to avoid. Best medicine for that particular limb is dancing. An overdose of festive two-stepping will do nothing but good and could lead to all sorts of even more interesting side effects.

Adding some beef to the lower leg muscles is a little less exciting. My own recipe is to avoid lifts—not too difficult an occupation in recent months—and to climb all stairs quickly and on your toes. Running up London would be a fairly painless way of getting in a little extra work. Jogging is great for overall health but it does not particularly affect the lower leg.

What works on the ski slope may not always work in the sports hall area, however. There succeeds to depend on having a less ample form.

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WINTER SPORTS

BY ARTHUR SANDLES

The more experienced skier finds that the muscle stress moves up the body to the thighs. Intermediate skiers tackling the awesome task of transferring from stem christies to parallel skis are often told by instructors insisting on weight movements which eventually turn the thighs to jelly.

Since thigh muscles are already pretty strong, adding power to them can be a boring exercise. Best medicine for that is a sequence which can get monotonous, but I know of no better. The woman who is now my non-skier, but very understanding, wife once came across me in the garden holding an arachnid in the air and doing some exercise. I looked at her and she said: "I've been told to do this."

Perhaps she decided that one prepared to look that stupid cannot be all bad. In spite of all this, pre-ski Megeve is a 20 yard

exercise is much over-rated. If you are normally fit so that you can play a couple of sets of tennis without collapsing, you are ready for the slopes. Skiing is not half as exhausting as many would claim it is, and there is ample opportunity for relaxation.

As far as weight is concerned I comfort myself with the fact that some racing skiers, particularly the women, actually put on weight deliberately in order to make their centres of gravity low and add power to their downhill rushes.

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# Still hurt by a bad Press

by CHRIS DUNKLEY

For television 1977 was the year in which the supposedly benign effects of the box were discussed at greater length than ever before, though of course that could be said of each successive year since about 1960. The true extent of the determination of the mass media to show television in the best possible light, however, is proved by two events:

One day in September Dr. William Echors read to the British Association a paper which anticipated the findings of a report on his 11 years study of television violence which is to be published in 1978. It was said to be the first firm exposure to television violence increased the degree to which adolescent boys engaged in violent behaviour.

Next day the Home Office published its Research Study No. 1, "Screen Violence and Film Membership" which said that no evidence existed to show that violence on the cinema or television screen led to violent behaviour by members of the audience.

The more serious newspapers were discussed and both parts pretty well equally, and more popular papers favoured Nelson's paper. But

## The Entertainment Guide is on page 16

never the allocation of space. Reports about violence and television were as usual very dry and thoroughly reported only in the Press but on no other day was there a different story when the House of Lords debated television and radio in December. The debate was investigated by Willis, the world's most television script writer (writing to the Guinness Book of Records) who numbers Dixon Greig among his many patrons. Lord Willis opened the debate, and other speakers included Lord Winstanley, who has extensive experience as a television presenter, Lord Crane, who is a director of a radio station, and Lord Hume who is a former chairman of the IBA (now IBC).

It might have been expected that a detailed and well informed debate. Yet the only two people in the Press gallery throughout almost the entire proceedings were an agency sorter on rota who complained it she would rather have been the Commons, and the television critic of the Financial Times. Next day not a single word, as far as I could ascertain, is reported in national newspapers, on radio, or on television. The reason was presumably that the debate was specifically about the beneficial effects of broadcasting. The Lords had an astonishingly long list of amendments and the television critic of the Financial Times. Next day not a single word, as far as I could ascertain, is reported in national newspapers, on radio, or on television. The reason was presumably that the debate was specifically about the beneficial effects of broadcasting. The Lords had an astonishingly long list of amendments and the television critic of the Financial Times.

are apparently not. news, their individual lines of development. Elsewhere in drama it was not an outstanding year, though BBC's chief serial *Eleonor Marx* was memorable, and *Murder Most English*, on the same channel was a treat for those willing to change gear and get a better look at the scenery and the spaces between the words for once. BBC1 had one of its best *Play For Today* seasons for several years, and Granada made one of the best Dickens adaptations with its four-part *Great Expectations* (though it is made in England) remarkably limited, simply nodded and smiled.



The Little Ladies, stars of Rock Follies

politely as the export benefits were detailed for the unimpeachable time.

Great claims were made for the originality of *The Muppets*, claims which sounded rather odd if you had ever seen *The Black Theatre of Prague*, *Punch and Judy* and the *Disneyland* mameets. However, one series during the year really did deserve praise for its originality: Thames TV's *Rock Follies*.

Even though this was the second series, and even though we may have seen each of the individual elements used previously either in the cinema or on television, the combination of contemporary plot, music, dance, humour and electronic effects was unique, and uniquely successful. What we must do now is pray that Thames have the sense not to try for another series but instead to push all the people involved further along

documentary-drama that caused most interest: argument, and upset. Yorkshire Television's *The Case of Yolande McShane* pushed back the boundaries of voyeurism on television when it showed a secretly shot police videotape of a daughter talking to her mother in an old people's home about the mother killing herself.

Later in the year when there was a rash of programmes about violent adolescents, doubts were expressed about the usefulness of showing — for instance — the true story of a young deaf prostitute (*ATV's Dummy*) or the inhumanly cruel story of a young London boy (*Barry Keefe's Nipper* on BBC1). Inevitably the programmes will continue, so long as they are not kept off the screen by writs as so nearly happened to the last episode of *Anthony Thomas's* very moving *South African*

spurious "events" created and for television. Nineteen seventy-seven was a bad year because Kerry Packer moved in on cricket and managed to hire a lot of the best talent, though happily there were signs towards the end of the year that the audience (in Australia where the first matches were televised) was not going to be fooled, and would go for the real McCoy rather than the TV event when they are on offer simultaneously.

Nineteen seventy-seven was also the year of the gods. In the first half we had *Moses The Lawgiver* and *Jesus Of Nazareth* from ATV and *Archaeology Of The Bible Lands* from the BBC. In the second half Granada's *The Christians* and BBC's *Long Search* ensured that by mid-December we had all had a super-abundance of prettily photographed religious quizzing; looking for God in an aeroplane, as

It was, too, the year of the Annan Report on the future of broadcasting, which turned out to be one of the most readable Government documents produced for a very long time. By the end of the year, however, the promised White Paper based on the report and subsequent reaction had still failed to appear. Moreover, having been predicted as a White Paper with green edges (that is mainly proposed legislation with fringe areas for discussion) it began to sound more and more as though it was going to be more like a green paper with white edges.

Whatever the outcome it was funny, and I remember he used to be ten years ago; but here he is back to knockabout.

I don't know who to recommend *The Point* to. Tuesday's audience was mostly late teenage and post-teenage, who came, I suppose, for the music. The jokes are as unsophisticated as the plot, but they are mainly adult-style jokes, mainly puns actually, mainly on the words "point" and "pointing". The song lyrics are hardly able to finish a sentence, let alone a thought. The young audience laughed quite a lot, but the smaller children were more amused by the dog Arrow, splendidly handled by David Claridge.

The pint I should say, having stigmatised it as unsophisticated, concerns this boy Oblio, who lives in a land where everyone but he has a pointed beard. He is banished for this deformity to the Pointless Wood, where he has adventures recalling *The Wizard of Oz*, even *Alone*. When he comes back, everyone's points disappear, but he grows one of his own. And the moral of that is, there's nothing wrong in being different; not a moral any serious man could deduce from the script by Ron Pember and Bernard Miles, but who cares?

The direction is by Colin Felix Rice, who gives a funny thing they might have run to Bennett, who also plays the

by Christmas looking sadly unlikely that the main Annan proposal—to devote Britain's fourth television channel to an all-comers "publisher" network—would be fulfilled.

Though the arguments over the inclusion of sex, violence and swearing on television still excited politicians and public alike, to a degree that few other subjects could match, 1977 proved yet again that when it came to a serious discussion of broadcasting structure, philosophy and administration the homogenism of the great British public was exceeded only by that of their elected representatives at Westminster.

Finally, as a reminder of some of the funnier (and some of the not so funny) memorable moments of 1977, and to get you on your toes for 1978—well, to make you get your reading glasses out anyway—a brief television quiz.

1. What happened to Dud and Pete? Sex In Our Time? Frankie Howard? Rock climbing programmes? Alan Babel? Donald Baverstock? Ronan O'Rahilly's airborne private TV station? John Stride?

# Who, why, what, where and when

Whose smooth television manner attracted the amiable derision of his sister who described him on television as "old one-take Charlie"?

When the crowd waiting outside Buckingham Palace for the mother of the aforementioned Charlie to emerge on "Telesight" Day, excited from perfume to a noisy chorus of "She'll be wearing silver knickers when she comes" (clearly audible on millions of television sets all over the world) which commentator said, quick as a flash, "Perhaps it's understandable that Rule Britannia should change to a cowboy song with all these horses around"?

In 1977 which university study group produced a book about the grave social implications of television? All right then, to make it quicker, which university study group didn't?

If you were a documentary producer with a well known ITV company somewhere north of Watford and while making a harrowing film about old age pensioners, a film which you expect to tear the nation's heart-strings,

you discovered that your favourite OAP far from being the poverty stricken total invalid she was actually a rich old malingering, would you:

(a) Keep her in the film but explain she is a rich old malingering?

(b) Keep her in but make sure that none of her richness or malingering can be seen on screen?

(c) Cut her out of the film entirely?

(d) Cut her legs off at the hip, steal all her money, and enlarge her role?

Match the following comments to the list of commentators:

(a) Tremendous flexibility of the ankles—they really are an extension of the legs.

(b) Yes! Yes! He's going to jump the wall! He's going to clear it! No, he's not, I didn't think he would.

(c) The referee's looking at his whistle. The referee's blown his watch.

(d) Remember: entries on postcards only. The

winner will be the first one opened.

Commentators: Ron Pickering, Dorian Williams' anonymous deputy, Hugh Johns, Brian Moore.

8. When a new wildlife series with a multi-million budget is announced in 1978 will you expect it to be derided

(a) Mainly to film of animals in their natural habitat?

(b) Mainly to long descriptions of the difficulties encountered by cameramen in looking for animals in their natural habitat?

(c) Mainly to depicting the sumptuous hedonistic life-style enjoyed by the producers in their yachts/camper wagons/huge bungalows while waiting for the cameramen to overcome the difficulties encountered while looking for animals in their natural habitat?

9. Given that Desmond Wilcox probably has better professional qualifications than anyone else to take over the job of controller BBC2, being vacated by Aubrey Singer, will you be satisfied when he doesn't get it that this had nothing to do with the much-publicised affair with and marriage to Esther Rantzen?

10. What is the name of that newish cigar that's advertised by the chap from Z Cars? Are you sure?

11. Whatever happened to: Dud and Pete? Sex In Our Time? Frankie Howard? Rock climbing programmes? Alan Babel? Donald Baverstock? Ronan O'Rahilly's airborne private TV station? John Stride?

12. Since in the words of one high ranking IBA official the ITV companies currently "have money running out of their ears," would you expect in 1978 to see:

(a) Better ITV programmes?

(b) More ITV programmes?

(c) Yet more ITV subsidiary companies producing gramophone records, paperback, and fast food outlets?

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## New Year openings

Memor, a new play by John Fozzen Assets opens at the Murrell based around the actress Warehouse on January 9. This Sarah Bernhardt opens at his first play for the Royal Ambassadors Theatre on Shakespeare's Company and tells the story of a Borstal boy on the run at Christmas time. A 1977 received its world premiere at RSC success, Peter Nichol's *Privates on Parade*, reappears on February 8, this time at the Piccadilly Theatre, where it takes over from another RSC hit, *Wild Oats*. Dennis Quilley continues in his award-winning role of Captain Terri Dennis.

Waters of the Moon by N. C. Hunter, which was part of the 1977 Chichester Festival, receives a West End transfer on January 26 when it opens at the Haymarket, the theatre where it was first produced in 1961. Engrid Bergman and Wendy Hiller continue their Chichester roles, alongside Dandy Nichols, Frances Cuka and Derek Godfrey.

There will be two performances of Robert Lowell, American Poet, at the Cottesloe, the small auditorium attached to the National Theatre, on January 20 and 21. It consists of readings

# The Point

by B. A. YOUNG

The Mermaid's adaptation of Harry Nilsson's *The Point* looks smarter this year, with Peter Whitteman's colourful decor (mostly projected onto flats to provide instant scenery) looking more sure of itself. There has been some rewriting, too. Wayne Sleep having been replaced as the boy Oblio by Davy Jones, the film calls for a lot of extra business for former fellow-Monkee Micky Dolenz, for whom the part of the Count's horrible son has been expanded.

Mr. Jones looks after the singing and Mr. Dolenz the comedy. It couldn't be much in Davy Jones's locker; he looks a rather cross boy to be a hero, and there isn't much machismo in the singing, though this may be because it is a bit swamped by the sound-mixing. Mr. Dolenz looks as if he has it in him to be very



Micky Dolenz

## Book Reviews are on page 8

funny, and I remember he used to be ten years ago; but here he is back to knockabout.

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The direction is by Colin Felix Rice, who gives a funny thing they might have run to Bennett, who also plays the

wicked Count who governs the land. The company offers nothing outstanding in the way of the Cold King, and he appears exciting. The best playing is by mostly in film projection. I felix Rice, who gives a funny thing they might have run to Bennett, who also plays the

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42	1849 2931AN	490	8159
43	1850 2931AO	491	8160
44	1851 2931AP	492	8161
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87	1894 2931CG	535	8204
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117	1924 2931DK	565	8234
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119	1926 2931DM	567	8236
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123	1930 2931DQ	571	8240
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130	1937 2931DX	578	8247
131	1938 2931DY	579	8248
132	1939 2931DZ	580	8249
133	1940 2931EA	581	8250
134	1941 2931EB	582	8251
135	1942 2931EC	583	8252
136	1943 2931ED	584	8253
137	1944 2931EE	585	8254
138	1945 2931EF	586	8255
139	1946 2931EG	587	8256
140	1947 2931EH	588	8257
141	1948 2931EI	589	8258
142	1949 2931EJ	590	8259
143	1950 2931EK	591	8



OVERSEAS NEWS

Begin insists on West Bank presence

ISRAEL'S PRIME MINISTER Menachem Begin to-night won a... Begin insisted on the presence of Israeli forces in the West Bank...

Jerusalem, Dec. 28. Mr. Moshe Dayan, the Foreign Minister, back from his... Begin insisted on the presence of Israeli forces in the West Bank...

KEY POINTS OF THE ISRAELI PEACE PLAN

- The administrative council would appoint a representative to the Government of Israel and another to the Government of Jordan.
● Freedom of access to the holy places of Jews, Moslems and Christians in Jerusalem.
● The Israeli plan would be reviewed after five years.

Rejection front in new talks

BEIRUT, Dec. 28. THE ARAB states opposed to President Sadat and the Palestine Liberation Organisation are to hold another summit meeting... Rejection front in new talks...

WORLD TRADE NEWS

Japan reply to latest trade call is delayed

TOKYO, Dec. 28. JAPAN'S reply to the latest set of U.S. import quotas... Japan reply to latest trade call is delayed...

EEC lays down minimum prices for steel products

BRUSSELS, Dec. 28. The Commission has decided to announce tomorrow... EEC lays down minimum prices for steel products...

LATA sees bright 1978

AN IMPROVEMENT in world scheduled airlines... LATA sees bright 1978...

Turriff-India joint ventures

THE PROJECTS and Equipment Corporation of India... Turriff-India joint ventures...

Rhodesian peace talks resume

SALISBURY, Dec. 28. WITNESSES said the family car in which he was travelling was the target of gunfire... Rhodesian peace talks resume...

Somalia calls for Western aid

AT A Press conference here today, Mr. Siad Barre, the Somali President... Somalia calls for Western aid...

Paper quotas row looms

THE GOVERNMENT faces conflicting pressures from printers and paper manufacturers... Paper quotas row looms...

Lucas exports

Lucas Industries' exports have received a 3.5 per cent boost... Lucas exports...

Senior resignations split India's Congress Party

THE CONGRESS working committee... Senior resignations split India's Congress Party...

Foreign banks allowed into Pakistan

FOREIGN BANKS will be allowed to set up branches in Pakistan... Foreign banks allowed into Pakistan...

Tokyo announces tariff cuts for U.K.

THE Japanese Government... Tokyo announces tariff cuts for U.K....

Law-and-order dilemma faces Tunisia

BEIJER UNEXPECTED dismissal... Law-and-order dilemma faces Tunisia...

ON OTHER PAGES

International Company News... ON OTHER PAGES...

Contracts

Canadian General Electric... Contracts...

THE SCOTTISH AND MERCANTILE INVESTMENT COMPANY LIMITED

Highlights from the Chairman's Statement on the accounts to 31st March, 1977... THE SCOTTISH AND MERCANTILE INVESTMENT COMPANY LIMITED...

Investment income up from £423,634 to £444,154... THE SCOTTISH AND MERCANTILE INVESTMENT COMPANY LIMITED...

HOME NEWS

Iron ore importers seek compensation

BY ROY HODSON

IRON ORE importers are seeking compensation from the British Steel Corporation for lost business because of the failure of the corporation to take up forward orders for millions of tonnes of raw material. The importers have put their difficulties to British Steel and further meetings are likely to be held in the New Year.

South-east firemen may return to work, union is warned

BY ALAN PIKE, LABOUR CORRESPONDENT

THE LEADER of 3,000 south-east firemen said last night that there might be a unilateral return to work in the region unless there is a quick end to the firemen's strike, now in its seventh week.

New Year talks on kilometre switch

BY DAVID FREUD

MR WILLIAM Rodgers, the Transport Secretary, is expected to begin consultations on switching to kilometres, on the roads in the New Year.

Bargain hunting starts earlier

BY DAVID FREUD

THE "JANUARY" sales begin earlier each year. Sun-before Christmas. Sales at Debenhams 70 de-harely digested when Whiteley's men stores were up an ave of Baywater opened its doors of 30.53 per cent over the to bargain-hunters on Tuesday, day last year, which was and yesterday many other a record.

Flotta oil flow resumes

A LEAK in Occidental's 130-mile North Sea pipeline to Flotta, Orkney, has been plugged. Three tankers had been held up for several days in Scapa Flow while repairs were being carried out.

Black and Decker wins patent action

BY LYNTOON McLAIN, INDUSTRIAL STAFF

BLACK AND DECKER has won a 22-month, £100,000 legal action against an alleged infringement of the Workmate portable bench patent.

Telephones help profit forecast for Post Office

BY JOHN LLOYD

THE POST OFFICE is on target to make a large profit on its telecommunications business. The postal business is hovering between profit and loss.

Skelmersdale will set up two more worker co-ops

METALWORK and machinery repair co-operatives are being set up in Skelmersdale in Lancashire following the success of the woodwork venture formed in July to help curb unemployment.

Lithgow to examine management

MANAGEMENT and unions at Scott Lithgow Group are to examine the possibility of introducing a self-financing productivity deal for hourly paid workers to try to reduce the wages gap between shipyards on the Lower and Upper Clyde.

Advertisement for Yusuf A. Alghanim & Sons W.L.L. U.S. \$50,000,000. Medium Term Export Credit Facility. Insured in part by the Foreign Credit Insurance Association.

Advertisement for Yusuf A. Alghanim & Sons W.L.L. U.S. \$25,000,000. Medium Term Export Credit Facility. Guaranteed in part by the Export Development Corporation, Canada.

Advertisement for Yusuf A. Alghanim & Sons W.L.L. U.S. \$75,000,000. Export Credit Facilities. The undersigned has acted as financial advisor to the borrower.

BUSINESS AND INVESTMENT OPPORTUNITIES

Advertisement for Charterhouse Finance for Growing Companies. Includes sections for Prestige Cars Wanted, Do You Need Money?, Arabic Translation, Limited Companies, Freight Forwarder, and Products Wanted for U.S.

COMPANY NOTICES

Advertisement for Dividend Notice to the Holders of European Depositary Receipts for Common Stock of Tokyo Shibaura Denki Kabushiki Kaisha. Includes a table of share values and interest rates.



# BOOKS

## Nineteen seventy-seven: where do we go from here?

BY C. P. SNOW

In literary terms, what is the state of the nation? The short answer is that no one knows. No one can possibly have read enough of the books of 1977 to get to-day's writing into any kind of perspective. Certainly I can't do so, and I suppose I read as much as most people. As an aside, maybe it isn't generally realised that to review a book a week one has to read much more than that, and then one courses oneself afterwards for what one has missed.

So what I am going to say should be taken as, at best, a rough and ready impression. Any reviewer of contemporary books ought to remember that Sainte-Beuve, in France the most influential pundit of his time, to his famous *Causeries du Lundi*, could end should have celebrated the work which was coming out in front of his eyes from Stendhal, Balzac, Flaubert, Baudelaire, but wasn't really interested in any of them.

With those reserves, here are some impressions of 1977. There is a lot of talent in the country. Probably the amount of talent is decreasing very slowly from decade to decade. I suspect there is as much now as there ever was. On the other hand, there is less encouragement for literary talent. This country has never been good at getting excited about writers, and now seems to be worse at it than ever. That is specifically true about novelists-to-day, especially what we call young novelists, meaning anyone under fifty. Writers of any kind need enough money to live on, but even more than that they need response. Publishing a first—or a second—or a third novel-to-day may be rather like dropping a book into a vacuum, if one could perform that difficult physical feat.

I will return to novelists later, but I want to deal first with more cheerful topics, such as history and biography. The economics of publishing such work is rather mysterious, at least to me, but the books themselves tend to get thoroughly, and sometimes intelligently, reviewed. They do attract some sort of response. That may help to impel talented people to devote themselves to these literary forms—which, of course, need obsessive work and all the scholarly virtues. Whatever the case, we keep being presented with books which stand comparison with any in the language. That may very well be an understatement. It is possible that the biographies of our time are the best yet written in English.

We can also be proud of some of our historical writing, often at its most accomplished when it deals with the recent past. A splendid demonstration in 1977 was Alistair Horne's *A Savage*

War of Peace (Macmillan, £3.95) about the Algerian fight for independence against the French, events so recent and also so ferocious that it is astonishing that anyone could be as temperate as Horne. Perhaps it was an advantage that, in spite of his previous work to French history and his intimate concern, he was after all seeing the struggle from a little way outside. In any case, a triumph.

Another work of recent history, one of Sieben Rossill's, was *Churchill and the Admirals* (Collins £3.50), was well informed and decisive as Rossill usually is.

As for history out so recent, John Julius Norwich's *Venice: The Rise to Empire* (Allen Lane £7.50), is the first of two volumes, which will become the standard English work on Venetian history. It is full of love for the city, but also cool-headed, with original reflections on Venetian social management, which has been neglected by more romantic historians. Victoria and Disraeli by Theo Aronson (Cassell £5.50) is both illuminating and quietly funny. *The First Fabians*, by Norman and Jeanne Mecklenzie (Weidenfeld and Nicolson £12.50) isn't funny but, as is right for anyone but professional sneerers, treats the Webbs and Shaw with respect, it still seems half way credible that a few private persons could make such an impact on their society.

A brilliant oecumenical emerged, Simon Schama with his *Patriots and Liberators* (Collins £15), written with dazzling energy and cheerful human understanding on a not specially likely subject, the Puritans and others struggling for a national existence through the French revolution and the Empire. Mark Young Schama's name. This book won a Wolfson history prize, and it is nice to see that all the admirable writers.

As well as straight history, there were good biographies of historical figures which come somewhere in the domain between history and biography. One such was *Radical Joe* about Joseph Chamberlain by Denis Judd (Hamish Hamilton, £7.95), telling one a good deal about a time when English political judgment began to go wildly wrong. Ramsay MacDonald by David Marquand (Cape, £12.50) ought to rescue an interesting character from the worst excesses of Labour Party demagogues.

Charles Stuart Parnell by F.S.L. Lyons (Collins, £3.50), is a classical picture, beautifully drawn, of a heroic but curiously opaque personality, and at the

same time of the political misjudgments which we suffer from still.

There were two literary biographies of very high class. Angus Wilson's *The Strange Ride of Rudyard Kipling* (Secker and Warburg, £6.90), is a masterpiece of accurate biographical research, sensible and wise human judgment and acute literary criticism. *George Bernard Shaw: A Biography*, Vol. 1 *The Legend*, by Tempest (Chatto & Windus, £7.95) has the superb Paterian eloquence, and also the Paterian detective work, though he romanticises. Chateaubriand more than Wilson does Kipling. Two books of which we can be proud.

Another literary biography, and a first book, which shows how good our writers are becoming at this form of art, is *Laurence Kelly's Lermontov* (Constable, £3.50). This filled a gap for most of us, even those addicted to Russian literature, and it is full, not exactly for love of Lermontov himself, which would be difficult, but certainly for his poetry and his Byronic history.

Anthony Curtis was sane and unmalicious about Somerset Maugham (Weidenfeld and Nicolson £5.50), which is a pleasant change. J. R. R. Tolkien by Elizabeth Carver (Alison Hodge, £9.95) is a good account of the story of a decent, devoted life: recommended to Tolkienians of whom I am not one. John Carey's *Thackeray: Fredgill Genius* (Faber £6.95) is a book of fascinating panache, utterly liberated from academic faults, bewilderingly so for a distinguished academic. I think he slightly overstates a good case, but I hope he lets himself go in the same vein again. David Williams in *George Orwell and the Making of *1984** (Penguin £1.25). The latter, produced

by two unusually dispassionate men, was calculated to distress both orthodox party persons, who feel that dissident writers should not be mentioned, and their opposites, the cold warriors of the West, who feel that none but dissident writers should have any reason to exist.

For Trollopeans, John Halperin's *Trollope and Politics* (Macmillan £3.95), is the best treatment of the subject. Finally, before I return to novels, a new translation of the novel by Murasaki Shikibu, translated by Edward G. Seidensticker (Secker and Warburg £15)—of the first great novel written in Japan, about the year 1000 was a major event of the year.

As I have said, regretfully, it is difficult to get readers actively interested in new novels. It is difficult to get first novels published—I have had two or three manuscripts of real merit in my own hands this year, but the commercial prospects will keep them in the writers' desks. These conditions react on each other and make the chances for novels cumulatively worse. The novel of self-conscious art is likely to get increasingly esoteric, just as poetry did in identical circumstances. When novels become just a private game played in a private party they will not be interesting to serious people.

This year I had the luck to be introduced to Beryl Bainbridge's *Injury Time* (Duckworth, £3.95). I hadn't read anything of this writer before, and was much impressed. She is precise, economical, penetrating in a characteristically tidy English fashion. I don't find her as hilariously funny as others seem to find her, nothing like the funny by a doctor-patient humour of Michael Frayn. But she is a real star in to-day's

novel writing. Barbara Pym—*Quartet* in Autumn (Macmillan, £3.95)—was also new to me, and is another sharp-witted, lucid writer in a similar English tradition, though the demons aren't lurking beneath her quiet words as they are beneath Beryl Bainbridge's.

Olivia Manning has won admiration from her colleagues for years past, and *The Danvers Tree* (Weidenfeld and Nicolson £4.95) shows her customary talent both delicate and firm. But wouldn't she have been luckier to a society where she would have got more response (maybe interested attack would be more stimulating for our better novelists than lackadaisical praise). The same I suspect applies to other established writers, such as Margaret Drabble (*The Ice Age*, Weidenfeld and Nicolson £4.95) and P. H. Newby, *Kith* (Faber £3.75). They are not only accomplished writers but human beings of strong personality and would flourish if literary brickbats were flying round their heads. Similarly with Philip Calow (Janine, Bodley Head £3.50) and Paul Bailey (Peter Smart's *Confessions*, Cape £3.95).

The master, eccentric of English letters, Rayner Heppenstall, produced a masterly eccentric novel, *Two Moons* (Allison and Busby £4.50). Judith Burnley had a stormy beginning with *The Wife* (Heinemann, £2.90) but stormy beginnings, though they don't seem like it at the time, are better than genteel omelets. Two novelists digged again that they were digging an independent path—Paul Theroux (*The Consul's File*, Hamish Hamilton £3.95), and Paul Scott (*Staying On*, Heinemann £3.90). Theroux has already achieved a substantial popular success, and it is to be hoped that Scott, Booker Prize

Winner for 1977 will now do so. It is significant that both are strikingly free from the novel art of self-conscious art. It sounds art, but neither is afraid of giving information.

John Fowles, in his lonely, obstinate fashion, tried to make a new model for the novel in *The French Lieutenant's Woman* (Cape, £4.95), using resources both from the great realistic novel and from recent art novels. This book wasn't well received in this country, though it has been in America. Myself, I find the book more memorable in retrospect than many works which seemed totally satisfactory at a first reading. It is, by the way, very hard to judge how well one will remember a book. It is one of the severest tests of impact, and probably of some of the more fundamental qualities. Anyway, Daniel Martin, if it is not a literary success, may easily be a portrait.

Finally, but not least a superb detective story by P. D. James, *Death of an Expert Witness* (Faber, £3.95). It is common form to say that P. D. James is our best writer of classical detective stories since Margery Allingham and Dorothy Sayers. Actually, she is much better than Margery Allingham, and though Sayers hasn't Dorothy Sayers' passionate romantic impulse, very few writers of any kind have ever had that—she has far deeper human understanding. As much as the Carre, she has all the equipment of a novelist of very high class, and most of the equipment of a novelist of very high class, and much more so than some of the most venerated. Winston Graham would be regarded as an excellent novelist if he were commercially successful. All the writers just don't know how to make a popular success, and it is to be hoped that Scott, Booker Prize

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winning. The *Pargiters*, edited with an introduction by Michael A. Leaska. The Hogarth Press, £6.50. 167 pages.

Sir Leslie Stephen's *Mausoleum* edited by Alan Bell. Oxford, £2.25. 113 pages.

*A Marriage of True Minds: An Intimate Biography of Leonard and Virginia Woolf* by George Spate and Ian Parsons. Cape and The Hogarth Press, £5.95. 221 pages.

*A Change of Perspective: The Letters of Virginia Woolf*, Vol. 2 edited by Nigel Nicolson and Joanne Trautmann. The Hogarth Press, £12.50. 600 pages.

The *Blossomsbury* wave has inevitably thrown up fiascos, but here we have a couple of pearls and a nice coloured stone. Any one who has been excited by Virginia Woolf's *A Writer's Diary* will know about *The Pargiters*. In November, 1932, she talks about her new work, an *Essay Novel*, which she finds infinitely delightful in fact, for a change." By December she had written 60,000 words. "I'll tell about one paragraph. What I must do is keep control; and not be too sarcastic; and keep the right degree of freedom; and respect the way how easy this writing is compared with *The Waves*!... I have ever lived in such a race, such a dream, such a violent impulsion and compulsion—scarcely feeling anything but the pressure of the pen."

However, in February, 1933, she had decided to abandon the new form which consisted of alternating chapters of fiction and essay commentary and "compact the material into a more conventional novel which

## Virginia's second thoughts

BY BACHEL BILLINGTON

In 1936 was eventually completed as *The Years*. How different then is her attitude to the writing and rewriting!

"I wonder if anyone has ever suffered so much from a book as I have from *The Years*. Once out I will never look at it again. It's like a long childbirth."

*The Pargiters*, then, is a piece of work written out of glorious excitement and confidence. It is a most fascinating document. Mr. Leaska has presented it in a form as near the original manuscript as possible while both an advantage and a disadvantage. Disadvantage first. The inclusion of various layers of writing indicated by different shape brackets, dots and italics inevitably makes it difficult to read the book as a book rather than a literary curiosity. This is a pity, in that it is clearly more than that. Indeed, in the light of recent experiments with the relation between "granite and talow", fact and fiction, it seems much more successful than Virginia Woolf ever allowed it. If she had been writing now she might have hoped for an award herself all the misery of trying to cram a basically didactic idea about "the sexual life of women" into the novel form.

The advantage of Mr. Leaska's presentation is as he says that it provides us with a slow-moving picture of Virginia Woolf—unobserved and uncontrolled during those vibrant moments of creation. Though whether one learns more than that is a second thought, generally a reflection of the first is arguable. Mr. Leaska also says that *The Pargiters* will be invaluable to teachers and students. Let us hope it will also reach the ordinary reader.

One of Virginia Woolf's most successful methods of showing the unfair repression of women is to concentrate on the male equivalent—the father, the brother or the lover. Through his attitudes to life and attitudes to women she builds up a subtle contrast in freedoms. Since *The Pargiters* is set to 1880 the figure of her father Sir Leslie Stephen towers in the background, yet again. Out of her relationship with him arose a continual conflict. Should one admire "distinction of character rather than intellect"? How to reconcile the two? Like father, like daughter. Stephen's *The Mausoleum Book* which in another way is as fascinating as *The Pargiters* was written by him for private circulation only to ease his suffering over his beloved's second wife's death. Julia Duckworth was a beautiful young widow with three children who had given up the idea of marriage. Her father elevated her to sainthood—as indeed he did with the less worthy model of his first wife. There lies the clue. Men have always found women easier to cope with when placed on a pedestal. A young woman who suffers from a distinction of character rather than intellect. Did poor Julia really enjoy being canonised in one person and used to shore up her husband's excessive modesty as he felt as she described it in the other?

Sir Leslie, being an intelligent and sensitive man clearly suspected after her death that he had done her an injustice, therefore he writes this monument to her as a woman, not as a saint. "Never for an instant, I am quite certain, did she take my temper and irritabilities for symptoms of any want of love or diminution of love."

## Poets speak with many different styles

BY MARTIN SEYMOUR-SMITH

The Garden End: New and Selected Poems (Carcanet, £2.90, 116 pages) collects together the best of Peter Jones's three previous volumes, and adds some new poems. It is a very good collection of the most meaningfully elegant in the year—by a poet whose skills have so far gone largely unrecognized.

Jones is a reticent and self-knowledgeably unconfident poet; but one cannot accuse him of lacking confidence in himself. He is in a process of transition; he is in these poems both self-critical and disastrously relaxed. ("To Thom Gunn in Los Altos, California" is benignly, "Conquistador! Live dangerously, Byron..."). Yet there are hints of a change of heart, of the kind of self-dissatisfaction which most heunt at least some of the pages of intellectual poets.

Tom Lowenstein's *The Death of Mrs. Owl* (Avril Press with Rex Collings, £1.95 paperback, 92 pages) is a versatile first collection by one in his mid-thirties. Lowenstein's brief poems are well made, with a mature assuredness and, occasionally (as in "Anniversary") a reticent and profound compassion. "A Short Week-end" is a memorable and meticulous account of a sexual fantasy. Here is an excellent mind, with a true feeling for words.

Mercus Camberlense's *Freflles* (Avril Press with Rex Collings, £1.95 paperback, 92 pages) is the use made of these two influences is only occasionally precious, mannered or mechanical. I recommend this quiet, not subtle poet, who deserves a larger audience.

Donald Davies's status has always been that of critic-poet rather than of poet-critic; this is the price he has paid for being over-didactic and overly tolerant of style-similarity to him. Muddon is almost too formidable a professional; there should always be an amateur element in popular poetry.

## APOLLO

Edited by Denis Sutton

Ann Sexton's 45 *Mercury Street* (Secker and Warburg, £3.90, 114 pages) contains some of the last poems she wrote before her suicide in 1974. She was an immensely sensitive and virtuous woman whose gift of the gift: it is sad to say it, but in these last tragic poems the voice of another suicide, Sylvia Plath, almost takes over. The power here is the terrible power of a woman's depression made incarnate. The time of "sick" poetry is surely past; the result, though heart-rending, is not worth the price.

Edwin Morgan in *The New Divan* (Carcanet, £3.00 cloth, £2.00 paper, 118 pages) provides a feast of styles: experimental, lyrical, sociological, comic. It is so recent in style and virtuosity of performance that one wonders why Morgan is not regarded as a major poet. He is out, I think, because there is a lack of conviction in his work: it lacks robustness, is too much of an exercise, is too controlled. Yet his sparkle is highly entertaining, and bewitchingly clever: "I said he's reading the several times over before I make up my mind that my initial judgment is right."

John Mole's *Our Ship* (Secker and Warburg, £3.90, 62 pages) is a mixed collection, containing a good deal of mawkish poems; but the best, such as "Table Talk", are deeply felt.

Dannie Abse's *Collected Poems 1948-1976* (Hutchinson, £4.95, 204 pages) contains nearly 200 years worth of a doctor-poet who is greatly in demand on the reading circuits. Humane and facile, Abse is the best kind of popular poet.



Julia Duckworth, second wife of Sir Leslie Stephen (right), both photographed by Julia Margaret Cameron. To console himself for Julia's death, Stephen wrote his "Mausoleum Book" which is now published for the first time and reviewed to-day.

*The Mausoleum Book* is a strange, morbid, emotional work which reflects a character whose insecurity produced a need for someone strong and loving to keep the jerks of despair at bay. Since Julia could not console him after her own death, he wrote this book. It shows light not only on his own temperament which might seem typically Victorian but also on that of his daughter.

Virginia Woolf suffered her first breakdown during this very period when her father demanded constant emotional sympathy with such harrowing papers and photographs belonging to Leonard Woolf.

Since Woolf was an obsessive with her pen. Personal habit list-maker and boarder of such items as the number and winner of the games of bowls played by himself and Virginia between 1893 and 1940, this makes for a very close analysis. At least was prepared to be celibate if superlatively. This is not a woman who although criticism for the superficial as enunciated (her own description of *Blossomsbury* life, Woolf life, the Vita Sackville-West) had all those unthoughtful black and white manuscripts which make up even the cook book like a literary letters, 1923-1928, *A Change of Perspective*.

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## U.K. ECONOMIC INDICATORS

**ECONOMIC ACTIVITY**—Indices of industrial production, manufacturing output, engineering output, retail sales volume (1970=100); retail sales volume (1970=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Ind. prod.	Mfg. output	Eng. output	Retail vol.	Retail vol.	Unemp.	Vacs.
1976 4th qtr.	103.2	104.6	106	108.5	211.9	c	na
1977 1st qtr.	103.5	105.6	111	105.0	217.1	1,330	na
2nd qtr.	102.2	103.1	104	103.9	221.5	1,330	22.4
3rd qtr.	102.4	103.1	105	106.8	222.8	1,334	157
July	102.3	103.2	102	107.2	237.5	1,414	154
Aug.	102.7	103.7	104	106.2	236.6	1,446	145
Sept.	102.1	103.5	107	105.4	234.4	1,432	153
Oct.	101.4	102.4	105	105.0	1,433	1,396	148
Nov.							
Dec.							

**OUTPUT**—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacturing, textiles, leather and clothing (1970=100); housing starts (000s monthly average).

	Consumer goods	Invnt. goods	Eng. output	Metal mfg.	Textile	Housing starts
1976 4th qtr.	115.3	99.0	104.4	100.4	85.2	163.6
1977 1st qtr.	115.9	100.9	106.2	101.5	84.2	163.1
2nd qtr.	112.5	99.7	104.9	100.1	89.8	162.2
3rd qtr.	114.8	99.4	104.8	100.2	82.8	162.8
June	110	100	103	101	75	164
July	115	100	105	101	77	164
Aug.	114	100	105	100	79	161
Sept.	114	99	105	100	85	163
Oct.	114	99	101	100	77	162

**EXTERNAL TRADE**—Indices of export and import volumes (1970=100); visible balance; current balance; oil balance; terms of trade (1970=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Reserv.
1976 4th qtr.	141.5	138.2	-3.2	-366	-1,062	79.1	413
1977 1st qtr.	141.9	142.4	-9.0	-316	-1,016	80.4	362
2nd qtr.	149.9	144.4	-5.5	-280	-725	80.1	14.9
3rd qtr.	153.7	141.5	-12.2	-199	-197	80.3	11.57
June	153.5	141.5	-12	-199	-199	79.6	13.4
July	152.0	131.7	+20.3	+290	-183	82.0	14.5
Aug.	157.5	144.8	+12.7	+201	-205	84.9	17.17
Sept.	150.9	140.4	+10.5	+191	-221	83.9	20.23
Oct.	152.3	135.3	+17	+233	-253	85.3	20.35

**FINANCIAL**—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (Em.); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum leading rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m.	BS inflow	HP lending %	MLR %
1976 4th qtr.	3.9	8.8	14.4	1,417	152	327	14.1
1977 1st qtr.	-3.6	-10.3	5.3	-1,882	492	339	10.1
2nd qtr.	16.8	15.3	1.5	809	1,390	352	8
3rd qtr.	24.1	24.1	22.8	-236	1,084	384	7
June	25.1	17.0	5.6	707	304	350	8
July	19.3	12.0	23.2	-129	320	363	8
Aug.	22.0	9.4	24.0	-69	302	417	7
Sept.	21.4	14.8	22.8	125	462	402	6
Oct.	35.8	17.5	24.8	299	590	386	5
Nov.	41.5	19.8		289	554		7

**INFLATION**—Indices of earnings (Jan. 1978=100), basic materials and fuels, wholesale prices of manufactured products (1970=100); retail prices and food prices (1974=100); FT commodity index (July 1953=100); trade weighted value of sterling (Dec 1971=100).

	Earn. %	Basic mfg. %	Wholesale %	RPI	FT Comdty	Strig.
1976 4th qtr.	109.9	329.9	233.9	165.8	172.7	250.8
1977 1st qtr.	112.5	241.5	248.0	174.1	184.7	278.4
2nd qtr.	114.5	347.8	250.0	181.9	191.1	250.0
3rd qtr.	116.1	241.1	267.7	184.7	192.1	239.9
June	115.4	243.2	262.4	183.6	193.7	250.0
July	116.2	244.6	263.8	183.8	192.6	243.2
Aug.	115.7	339.3	278.0	184.1	191.9	238.0
Sept.	116.3	331.1	268.2	183.7	192.3	241.6
Oct.	117.9	331.9	271.0	188.5	192.3	236.3
Nov.		330.3	271.9	187.4	192.9	238.34

\* Not seasonally adjusted.

# The Marketing Scene

## What Dunlop got for its money

NOT ALL advertising works: life would be unbearable if it did. Some ads—thoughtfully written, expensively photographed and tastefully packaged in ribbon and gilt—look and sound all right but fall flat on their faces as vehicles of persuasion, some times because they are incoherent, some because they are over-the-top, some because they are over-the-top.

On the other hand there are others which seem wildly conceived and dizzily executed which nevertheless manage to sell a greater number of goods than their creators can have dreamed. There's no accounting for that.

That said, there is a slim band of gold at the apex of the swing-

meter reserved for campaigns which manage to combine the very best of both worlds: first-class production values with a genuinely effective sales message.

Strange to relate, but one of the best examples of the breed this year was a commercial—the ad produced by Saatchi and Saatchi and Park Village Productions for Dunlop, winning a gold Lion at the annual advertising film festival and getting to within a single vote of becoming the outright winner. More importantly, it drew down well with the masses of U.K. TV viewers because Saatchi's research indicates some quite remarkable improvements in Dunlop's corporate image and in consumer knowledge of the products Dunlop makes.

The TV ad was the second stage of Dunlop's corporate campaign. Three years ago it spent £200,000 on a Press and magazine push aimed at the City, the Government, the media, and employees and trade unions designed to improve Dunlop's image among decision-makers.

But when it came to exploring the mass-street view of Dunlop, Saatchi discovered that Dunlop was associated with tyre and rubber production and almost nothing else, so it was decided that Stage II of the campaign would stress that Dunlop was well-diversified, that it made significant contributions to export earnings, and that as a company it was both international and up to date.

The ad's theme—"You'd be surprised how much you'd miss Dunlop"—was developed with style and wit to show that in

addition to tyres and rubber, Dunlop was also a big name in tennis and golf equipment, travel bags, anti-skid road surfaces, mass pavement, media and carpet tiles, and so on, and that it operated in 152 different product areas in 160 countries with exports last year of £120m.

Out of a total above-and-below-the-line U.K. expenditure this year of £6.4m, says the company's general advertising manager, John Newnham, Dunlop spent approximately £2m on TV advertising. Of that, £575,000 was spent on its corporate commercial.

Research carried out after the launch in July showed that total awareness of Dunlop advertising had nearly tripled from 28 to 77 per cent of the research sample (2,000 adults). When it came to a description of Dunlop,

## Smoking: a £1m. shock for the New Year

STILL FLUSHED with the success of its role in helping to diminish the credibility of cigarettes containing tobacco substitutes, the Health Education Council is starting the New Year with a direct appeal to the nation to eat, exercise regularly and cut out smoking altogether.

In psychological terms the HEC is, of course, fighting a losing battle. Persuading people to give up things they clearly enjoy, or leading them to be cautious when their natural instinct is to be reckless, is a much more difficult sales job than getting them to try something new.

The new HEC campaign takes the bull firmly by the horns. After nearly ten years chiselling away with limited funds at a public which smokes, eats and drinks too much, the Health Education Council now has enough money to hand to tackle all three "offences" in one fell swoop.

By Easter the HEC will have spent £750,000 through Saatchi and Saatchi on a concerted effort to make people think more about their health. By year's end the figure will probably have topped £1m, an uncharacteristically large amount for a body, albeit Government-financed, which has been forced into using shock tactics in the past because its spending power has been severely limited.

Compared with the estimated £30m spent by the tobacco industry on cigarette advertising in 1977, the HEC figure is still peanuts. But the increase shows that the council is determined to make the tobacco companies' life that bit harder during 1978.

The unusual nature of the battle has been the story all along, and perhaps explains why the council's campaigns have been more memorable and more eye-catching than most during the past ten years. As Charles Saatchi puts it: "One of our main aims was to gain maximum attention, to make it seem that millions were being spent rather than thousands."

The philosophy worked. The agency's first posters for the council, designed solely for display in surgeries and clinics, caught industry's attention, the media's attention, and, more importantly, the public's. The pregnant man campaign started in all and was quickly followed up by shock close-ups of nicotine-stained lungs.

But however great the shock

to the smoking public, long-term attitudes cannot be changed overnight. Seasoned smokers may give up for a few weeks, but most return to the habit. Allain Mackie, director of the HEC, believes Saatchi's early advertising, together with the alarm

The only consolation for the industry is that a hard core of smokers are smoking even more. Overall, though, the long-term signs are good for the anti-smoking brigade. The real breakthrough came in 1973 with a campaign aimed at a small section of the smoking public, pregnant women. The Press ads were even more controversial with an expectant mother in the nude. In fact it raised so many eyebrows that several major women's magazines turned it down and the agency was pressured into changing it.

The council did not like the change; neither did the agency. In the event, the campaign went out with a vengeance," says Saatchi's Alex Flynn. "It cut the number of women who smoked during pregnancy by over 10 per cent, a very significant proportion. A budget of £10,000 was pitched against the £30m spent by the tobacco industry that year.

The anti-smoking campaigners have won other notable victories, none more so than that aimed at teenagers. Agency research discovered that teenagers believed cigarettes to be healthy and a waste of money. What they did not believe was that smoking made them unattractive to the opposite sex. The agency took this one key factor and foisted it on a campaign around it. Basically low-key stuff, it set out to establish that a smoker smelt like an old ash tray. The result: a very significant fall in attitudes.

The HEC countered the launch of tobacco substitutes this year with an £50,000 campaign designed, according to Mackie, to "debunk that aura of safety being built up around the new brands."

Future HEC budgets are governed by the amount of money made available by the Department of Health. Next year's £1m—the sort of money it takes to advertise a popular brand of lager on television—would not, for example, cover an extension of the council's anti-alcohol campaign currently running in the Tyne-Tees area. Locally it is a large-scale affair mounted nationally it would cost £2.5m.

Allstar Mackie fought hard to get the 1978 increase. "All we have done so far is to make little interventions, small counter-blasts to the big guns of industry. An extension of this kind is essential because it puts you on your metal but the increase, though still peanuts, will enable us to be that much more professional."



Two of Saatchi's shock/horror posters for the Health Education Council.



Two of Saatchi's shock/horror posters for the Health Education Council.

## Mr. Tate spreads his wings

BY PETER KRAUSHAR

EVERYONE KNOWS that it is a picnic to find new and profitable opportunities these days. He survival rate of new projects, even those launched by the biggest and most sophisticated companies, and the problem of achieving an adequate return from acquisitions, are a recurrent discussion topic in any Boardroom, so one can imagine the task facing a company which is not only seeking new opportunities but also needs to find ways to fund them. Mr. Tate and Lyle is currently employing particular types of workers in specific locations, but it is the task currently facing the company.

As is well known, Tate and Lyle has diversified considerably from the area of sugar refining. It has developed into commodity trading, the movement, storage, processing and handling of sugar, molasses, oils, fats, leucobis, beans, seeds, agricultural and process technology, the production of petrochemicals, oils and other bulk liquids, the manufacture of plastic and aluminium products for the agricultural and construction industries, production of flexible packaging, shipping, road transport and warehousing. All these are activities that have made Tate and Lyle a well-diversified company.

The task of finding suitable new openings continues, but is currently combined with the need for creating work opportunities. Following Britain's entry into the EEC and the emphasis on beef sugar by the Common Agricultural Policy, the UK sugar cane industry estimated its surplus capacity at

about 90 per cent. After the acquisition of Membre and Garçon this surplus has become the responsibility of Tate and Lyle which has given an undertaking to the Government to create new work up to nearly 450 workers.

Not many of these jobs can be created within the company's existing activities, so a very active search for new opportunities has been undertaken by Tate and Lyle Refineries. Director Andrew Currie is concentrating on this project full-time with a team of company executives as well as outside consultants, but in addition to the usual problems associated with seeking and evaluating new business opportunities, he must take account of the following factors:

- New acquisitions do not usually lead to a short-term increase in new jobs.
- Internal new product development or setting up a new venture from scratch is often a very lengthy process.
- Many new opportunities are not necessarily labour intensive.
- Many new opportunities do not necessarily suit the relevant labour force and its location.

Nevertheless, an enormous amount of activity has taken place during the past year. A development policy and criteria have been agreed. The Department of Trade and Industry, local councils and the Merseyside and North West Industrial Development Offices have all been engaged in lengthy consultations. Consultants have

## Four new directors at JWT

J. WALTER THOMPSON has made four new Board appointments, effective from January 1.

The four are: Miles Colebrook, 29, currently account director for Rowntree Mackintosh and National Westminster Bank; Terry Hamaton, 40, since 1974 administrator of JWT's creative department; Brian Johnson, 37, account director for Guinness and Oxo; and Tony Stead, 41, who joined JWT's media department in 1967. Chairman Jeremy Bullmore said last night: "These appointments are a recognition of the outstanding work all four have done for our clients and the company, and will continue to do."

● ALLIED BREWERIES has reshuffled its account pack after falling out with Doyle Dane Bernbach, BBDO, which already handles the £2m. Skol account, is to take on the £500,000 Anells business, and The Kirkwood Company, at present in a state of fomentation, is to handle Teters, which last year billed £450,000. Kirkwoods already handles Double Diamond, Long Life and Diamond Heavy, which in total last year billed nearly £1m.

● THE ADVERTISING ASSOCIATION'S 1978 conference will be held at the Brighton Centre on April 27 and 28. Chairman: Sir Adrian Cadbury.

## Flow at high pressure

INTENDED for use in the oil and gas process industries, the IM600R insertion flowmeter available from Euromatic Flowmeters of Hounslow can be used at pressures up to 3000 psi.

The meter, a retractable turbine type is lowered into the pipe by means of a rack and pinion mechanism, eliminating such items as sliding seals and stuffing boxes.

Suitable for pipelines of 4ins diameter and above, the meter

operated as two printers with independent activation of a group of seven and another of eight columns. In addition, a five-digit counter is provided for line or sample counting, rate measurement or batch counting. Controls are recessed to avoid accidental operation and the 102 measures 107 x 157 x 314 mm; operation is from any ac mains or from 20 to 25 vdc dc.

More from the company at Woodlands Road, Epsom, Surrey, Epsom 20641.

## Technical news

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

### PRINTING

## Advisory centre for new technology

TO MEET variable composing requirements, Ferranti has supplied a CBT interactive computer composing system to the Printing Industry Research Association's (PIRA) electronic composition centre.

PIRA needed flexible computerised composition to simulate the many and varied functions required in the printing industry during text composition. The Ferranti CBT with Argus 700 computer, visual display terminals, and line printer, was selected and linked to a Monotype "Lasercorp" phototypesetter.

Using this new facility at PIRA potential purchasers of electronic composition equipment will be able to evaluate equipment suitability and be able to obtain unbiased information on equipment performance and operating

### COMPUTING

## High target for exports

OPTIMISM is the keynote of the recommendations submitted to the NEDC by the computer sector working party of the electronics Little Noddy since it suggests—and thus must believe possible—a target of an export surplus in international trading in computer-related areas of £200m by 1980.

However, the working party hedges its optimism by saying that it is difficult to set soundly based objectives in a sector where trade statistics are open to a wide range of interpretations.

It gives the deficit in computer trading for 1976 as £143m. DoI statistics would seem to show that the 1977 deficit in trading in

### INSTRUMENTS

## Miniature printer

PUT ON the market by G.M.T. Products is a low power miniature printer specifically designed for use with digital voltmeters, frequency meters and similar instruments.

Called the 402, the unit prints 15 columns from parallel input and has a range of low power board options that allow it to be used in stand-by, electrically isolated or portable applications, using a re-chargeable battery.

The unit can in effect be

### METALWORKING

## Advanced production line

A NUMERICALLY controlled drilling and punching line for fabricating steel sections installed at Painter Bros., Hereford, is the most advanced of its kind in Europe. Largest machine built by Peddinghaus of West Germany, it will aid U.K. specialists in fabricating and galvanising lattice steel structures, such as transmission towers, unit construction bridges, communications masts and similar products.

The machine is tape-controlled by a six-axis Elmelec NC system. Tapes are produced on a teletypewriter using a Data Genera Nova.

It can accommodate section sizes ranging from 80 x 80 to 200 x 200 mm angle for punching; for drilling it will take 80 x 80 up to 312 x 312 mm angle, and channel and beam

### MATERIALS

## Acrylic vehicle paint

A HIGH performance two-pack paint for the vehicle refinishing market is being launched by ICI's Division.

Although it is a hydroxy acrylic broadly similar to other two-pack products on the market, it differs technically in that it is based on a pure acrylic resin. This gives it better durability than the acrylic polyester blend used in most of the competitive paints, and better control in the application of the paint.

The latest formulation has been developed from a successful product sold in Europe by ICI's subsidiary, Hermann Wledehold GmbH, and has been used in the refinishing of a number of year-old cars.

It will be offered in a weight saving scheme, using microchips of matching and a full range of computer-controlled formulae.

After testing the health and safety hazards connected with this type of paint, ICI has developed against a large scale national launch. Called Auto-Color, the system will be supported from technical service representatives. This is to ensure that customers clearly understand not only the advantages of the product, but also the precautions necessary in using it.

ICI says the paint will only be offered to those refinishers who have the necessary facilities and are prepared to install them.

The company stresses that health and safety hazards arise through the use of the isocyanate activator, and not through the paint

## Calculator is the link

A DATA acquisition equipment that combines a portable programmable calculator with interfacing technology to make a low-priced solution to instrument data collection and computation applications has been introduced by Hewlett-Packard.

HP Model 915 2/0 calculator, based on the HP-91C programable calculator, offers an interface to a wide range of instruments. The HP-915 then manipulates the data according to user-designed programs and produces a printed hard-copy report.

With the HP-915 the user can take an instrument measurement and compare it to a standard or calibrate in data, do computation on each individual reading, or take multiple measurements and conduct comparison and statistical analysis.

The list of equipments that can be used more efficiently with the calculator is large, including electronic balances, photometers, densitometers, thermal conductivity calculators, gas analyzers, Berks, RG11 SAR, Wokingham 764774.

### CONFERENCES

## Miners in Hong Kong

THE ELEVENTH Commonwealth Mining and Metallurgical Congress is to be held at the Excelsior Hotel, Hong Kong, May 6 to 12. The International Mining and Metallurgical Exhibition will also be held in Hong Kong from May 2 to 12, covering plant, machinery, equipment, processes, supplies and services for these industries.

At least 70 papers will be presented at the Congress, covering a wide range of subjects including pricing and finance, training, waste disposal, exploration techniques, mining planning, and prediction of ore reserves.

The inaugural lecture on mining, political risk and the European Community will be delivered by Christopher Tugendhat, member of the Commission of the European Communities.

Tours covering metallurgical industries in South East and Australasia and India have been arranged for delegates.

Details from the organiser, the Institution of Mining and Metallurgical Engineers, London Tower Place, London W1N 4BR (01-580 3802).

### Hand-held terminals boom

VOLUME shipments of MSI Data Corporation's MS1/77 portable data entry terminals have begun. Introduced last May, the MS1/77 is a hand-held, solid-state terminal which weighs just over one pound. It is programmable and inexpensive, disposable pen-light-type batteries as its primary power source. Its capture and store stock information.

The backlog of orders for MS1/77s now stands at more than 85m. (about 55m) and demand for the new terminals continues to grow.

### QUALITY CONTROL

## Picks out a suspect

Industrial Controls has a new thyristor current detector which provides a simple and safe means of checking, during normal operation, that all the thyristors in a power converter are conducting satisfactorily.

The detector is important in preventive maintenance, and ensures that a suspect thyristor device can rapidly be located and replaced.

The equipment operates on a probe together with battery-operated electronic circuitry, display meter and controls.

The probe detects the magnetic field produced by current flowing through a thyristor fuse or thyristor power connection. The signal induced by the changing magnetic field is integrated and amplified in the instrument to produce a meter deflection proportional to the peak mean value of current.

Although developed primarily for use on thyristor converters, the applications of this test instrument are not restricted to that area. It may also be used to detect current flow in any conductor provided that the current is either pulsed or alternating.

More on 0788 2144.

### Converter on a chip

MOST of the additional components required to make a monolithic eight bit digital-to-analogue converter operational are not necessary in the Signetics NE5018 now available from Mullard.

According to the company most of the eight-bit chips need an external output amplifier and sometimes an external voltage reference as well. Mullard also claims that so far, no chip has included the input latches needed in a microprocessor-based

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**ENTERTAINMENT GUIDE—Cont.**

<b>ROUND HOUSE</b> , 287 25th, Eves. D. 8.00. <b>ACTORS COMPANY</b> in <b>BEING EARNEST</b> (1904). "I laughed almost without stopping."	<b>VAUDEVILLE</b> , 232 Regent, Eves. 8.00. <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> .
<b>ROYAL COURT</b> , 71 St. James's, Eves. 8.00. <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> .	<b>VICTORIA PALACE</b> , 110 St. James's, Eves. 8.00. <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> .
<b>ROYAL PATENT</b> , 110 St. James's, Eves. 8.00. <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> .	<b>WAREHOUSE</b> , 232 Regent, Eves. 8.00. <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> .
<b>SAVOY</b> , 110 St. James's, Eves. 8.00. <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> .	<b>WESTMINSTER</b> , 232 Regent, Eves. 8.00. <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> .
<b>THEATRE</b> , 110 St. James's, Eves. 8.00. <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> .	<b>WHITFIELD</b> , 110 St. James's, Eves. 8.00. <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> . <b>THE NEWEST WOODMAN</b> .

# FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF  
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Telephone: 01-248 8000

Thursday December 29 1977

## The debt debate

THE FACT that Britain is soon to repay the first \$2bn. or so of the official foreign debts accumulated in recent years is likely to add heat to a debate which has already begun about our national financial priorities. Already various voices, including some within the Labour movement, are arguing that it is absurdly conservative for a country which has become highly creditworthy to give much priority to repaying debts which can easily be refinanced. The money, it is argued, could better be used for any of a whole list of purposes—lower taxes, higher public investment, the development of post-oil energy resources, or simply better social welfare.

### Alternatives

The natural layman's inclination to picture oil revenue as a sum of money which can be spent at will is not entirely misleading: North Sea oil does increase our range of national choice, and policy is no longer a matter simply of choosing what kind of sugar should coat the pill. A well-informed debate about the possibilities open to us could do much to relieve the despairing cynicism which has marked our politics in recent years, and offer the country a choice of meaningful alternatives at future elections. Unfortunately the issue of debt repayment raises all the issues from the wrong end, and in a dangerously over-simplified way. The management of our overseas debts and assets is basically a matter of portfolio management, a decision about the use of funds which will only emerge as a result of the basic policy decisions. Debt is not the real issue.

The opportunity to repay debt arises because the country has now moved, for the time being at any rate, into current account surplus; and the discussion can be brought a little nearer the real issues by asking whether it is sensible to make a continued surplus a policy objective for some years to come, as the Bank of England recently urged it should be. The strongest argument for running a surplus while the oil lasts is simply that it will not last very long. It should therefore be treated as capital, and used in part to build up a strong international financial position for

### Real assets

The repayment of foreign debt—or the accumulation of reserves, which has exactly the same effect in the exchange markets—is one way to generate capital outflows to offset the current surplus. The financing of private sector investment overseas is a more rewarding way of achieving the same result: a high priority for the repayment of official debt is equivalent to a portfolio decision to invest a large inheritance in U.S. Treasury bills rather than real assets, and in this sense debt repayment is at present given too high a priority. But it is also possible, as the OECD argues, that capital flows are only partially effective in offsetting exchange pressures, and that our current account objectives must themselves be relatively modest—which could be achieved by a more expansive fiscal policy, by higher official investment in such resources as coal, or simply by a more conservative depletion policy in the North Sea itself. These are some of the real issues behind the debt debate.

## Reckoning time in Ankara

TURKEY'S long-simmering political crisis is at last coming to the boil. Against a background of continuing student violence and economic crisis, the shaky coalition Government led by Mr. Süleyman Demirel this week-end faces a vote of confidence. If it occurs, Mr. Demirel's downfall will have been brought about by defectors from his own conservative Justice Party who can no longer tolerate the Government's inability to solve the country's alarming political and financial problems.

### No headway

In its period in office, Mr. Demirel's Government has made little or no headway in reducing the international tensions that are threatening to isolate Turkey increasingly from her Western Allies. There has been no sign of movement in the disputes with Greece over Cyprus and the Aegean, relations with the EEC remain embittered and the U.S. Congress is still holding up ratification of the new Defence Cooperation Agreement on which Turkey is relying to re-equip her armed forces. Failure to resolve these problems is by no means the sole responsibility of Turkey—the EEC, for example, has been remarkably slow to acknowledge the country's genuine difficulties—but it has not helped to have a Government in Ankara that has proved incapable of taking any major policy decision in the past five months.

The Government's economic problems are even more immediate. The drying up of emigrants' remittances and foreign bank lending, combined with a disastrous trade performance, have brought the country to the point where it has run out of foreign exchange. Vital imports on which Turkey depends for its industrial development and economic prosperity, are quite simply no longer arriving. Protracted negotiations with the IMF for fresh finance have still not been formally concluded, and the stiff terms that the fund is demanding are one of the main ingredients of the current crisis.

Mr. Demirel's critics would say that he must take a large part of the blame for the Government's paralysis. In recent months he has given the impression that his prime consideration is to stay in power, regardless of the policy constraints that his coalition partners place on him. With fewer seats in Parliament than the opposition Republican People's Party, led by Mr. Bulent Ecevit, Mr. Demirel has since last June's elections been obliged to rely on the support of two smaller parties, one Islamic nationalist and the other more or less openly neo-Fascist, effectively giving both of them a veto over Government policy. Mounting discontent inside the Justice Party over the arrangement was brought to a head when Mr. Demirel's candidates fared poorly in local elections earlier this month. There is now a strong feeling in certain sections of the party that its best policy would be an end to the humiliating coalition and a period in opposition, preferably under a new leader.

### Sympathy

Some of the defectors from Mr. Demirel in recent weeks would like to see a broad coalition between the two major parties, the Justice Party and the Republican People's Party. It is far from certain, however, whether this would be acceptable to either of the two leaders. It is more likely, if Mr. Demirel is voted out on Saturday, that Mr. Ecevit will try to form his own minority Government, with support from the defectors.

While accepting the need for an agreement with the IMF, the left-of-centre Mr. Ecevit has said he wants modifications in the arrangement negotiated with Mr. Demirel's Administration. That could cause fresh problems and delay the arrival of much-needed financial relief. There is no immediate solution in sight to Turkey's difficulties. Two things, however, can help—end to the disproportionate influence of extremist parties over Government policy and considerable sympathy from the country's Western Allies.

## SALES OF CHEMICAL PLANT TO COMECON

# The pigeons are coming home to roost

BY KEVIN DONE, Chemicals Correspondent

"EASTERN EUROPE is never going to be able to absorb all that ammonia and all that methanol capacity it is building. These countries are going to have to export it and someone's going to get indigestion. The West has sold this technology and it is going to come back and bite it." Mr. Harry Neustein, a veteran U.S. expert in trading with the Eastern Bloc has been reciting the same message for a long time now, but in recent months the chemical industry in Western Europe has started to take it seriously.

In the wake of the oil crisis it was the Middle East with its plans for expansion into petrochemicals that first appeared to pose the biggest threat to the industry. But for the time being at least, the menace of the Arab oil producers has been supplanted, and instead it is the rapidly developing petrochemical capacity of the Eastern Bloc countries, which now baunts the West European industry.

The transfer of Western technology to the East is not a new phenomenon, but the practice has probably been more concentrated in the chemicals sector than in any other area of manufacturing industry. To the industry's concern most contracts for the construction of chemical plants in the Comecon countries contain provisions for payment in goods, and more often than not in products from the particular plant in question. This particular form of barter, known as compensation trading, amounts to the Comecon countries saying: "Sell us a net, and we'll pay you with the fish we catch."

The Eastern Bloc countries are putting heavy emphasis on building up their chemical industry. The industry is technologically intensive, but no single Western country dominates it, so there is an abundance of international competition, which can be exploited when it comes to buying technology. Variations of barter and compensation trading make chemical development especially attractive for the East Europeans because the pace of expansion is not affected by the availability of hard currency. Furthermore, foreign exchange, which is always in short supply, can be preserved for those essential purchases for which there is no alternative.

By paying for a plant with products the Comecon countries are ensuring that an export market will exist as soon as their plants come on stream, and the alliance with experienced West European chemical traders, and sometimes with producers, guarantees access to marketing skills which they would otherwise find impossible to match.

Many of the contractors argue that if one refuses a deal because of the adverse effects it could ultimately have on Western markets, there will be no shortage of others willing to step in. A further irony, in view of the final damage that could be caused, is that most of the deals are financed by Western sources of capital. The level of British lending to East Europe is still some way behind that of other countries, such as West Germany, but it has risen sharply in the last 12 months. No firm figures are collated centrally, but British bankers estimate that lending to East Europe now accounts for 12 to 14 per cent of total foreign lending by U.K. banks, compared with a level of only 7 per cent a year ago.

As Mr. Ralph Landau, of Halcon International, recently told the Society of the Chemical Industry: "Because of the world recession triggered by the precipitous energy price rise of 1973, Western financial institutions with substantial excess cash available, and Governments facing rising unemployment in their machinery and engineering industries, have rushed to finance both trade and investment with the East, usually at seemingly favourable terms. West European countries are still offering to finance capital projects in the USSR and the rest of Eastern Europe at interest rates well below 8 per cent for ten-year loans,

while their domestic customers may be paying around 10 per cent." By the end of 1976 the indebtedness of Eastern Europe to the West was \$48bn, primarily caused, Mr. Landau says, by "the technological gap which the USSR and other Communist countries decided to plug by massive imports of Western technology, machinery, capital and construction management and engineering." It can, he says, be unhesitatingly predicted that "the results will be unfavourable for the West European chemical industry, particularly when it is realised that Communist governments

have never been enthusiastic about compensation trading deals, but until recently their disquiet has been submerged by the undignified scramble of Western contractors, aided and abetted by their domestic Governments and banks, for a share of the major construction projects that are undoubtedly available. The process has been accelerated in recent years because of the low level of investment in the West. This has turned the contracting business into a buyer's market, allowing the Comecon countries to set their own terms.

There has not been much doubt about where the Western Governments have set their priorities. Countries have vied with each other in opening up cheap lines of credit—among which the \$950m, arranged in 1975 for the USSR by Sir Harold Wilson, the then British Prime Minister, must rate as a prima example. At a time of recession at home, such deals offer both political kudos and the prospects of preserving employment in the engineering industry. But such considerations offer little consolation to a chemical industry which is trying to face up to a potential flood of low-cost imports, that could cause considerable damage in already weakened markets.

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can price their products at any level necessary to earn much needed foreign exchange." The full effects of compensation trading deals and the transfer of technology will only be seen as the plants come on stream. But the process has already begun. According to Mr. E. G. Werner, a managing director of the Royal Dutch/Shell Group, the difficulty arises "precisely because prices are lowered to whatever level is necessary to secure business in the West. So far the impact of 'politically priced' products has been felt particularly in fertilisers and synthetic rubber. In France, for instance, 20 per cent of all synthetic rubber sold is now coming from Eastern Europe, and in the Netherlands the figure is more than 30 per cent. Mr. Werner has warned: "If the current dumping of politically-priced exports from Eastern Europe were likely to become a permanent feature of the European scene, and if it were likely to extend to a wide range of chemicals, Shell companies would obviously take a very hard second look at their current investment plans." For many years the Comecon countries have been an impor-

tant outlet for chemicals produced in Western Europe, but the outlet is declining as Comecon self-sufficiency increases. According to Dr. J. P. Fortuin, the chemical co-ordinator of Shell International Chemicals, since 1974 the volume of more than 20 of the more important petrochemicals being exported from Western Europe to the Comecon countries has fallen by 10 per cent to around 0.7m. tons. In the same period the volume of the same group of petrochemicals moving to Western Europe has increased by about 25 per cent to more than 0.5m. tons.

chemicals and plastics. He doubts that the major chemical companies can move quickly enough for their own best interests. They are voicing their fears now about the dangers they are facing in their home markets, but the Comecon countries are already one step ahead, he says, moving into the West's traditional overseas markets. If such countries have little hard currency available, East Europe is quite prepared to trade chemicals and plastics for wheat or beef and it is even getting involved in promoting user industries in the developing world.

The development of this "bloc-consciousness" in the chemical industry in Western Europe in the past 12 months is causing a fundamental reappraisal of its attitude towards the European Commission, and is causing it to seek EEC aid in overcoming some of the daunting problems it faces. The Commission, says Mr. Malpas, has taken over responsibility for anti-dumping legislation from its member states. "It must use these powers effectively and devise equitable ways of dealing with the fact that the 'market price' on which imports are judged as fair or unfair is not applicable to imports from Eastern Europe." Along with others in the industry he has put forward the concept of a "European market price," but the idea has met with a cool response in Brussels.

A more promising course is the one that has been followed by the West German Chemical Industries Association in promoting a monitoring system for all compensation trading deals. This proposal will probably be adopted soon on a European basis. And Mr. Malpas has been to ensure that where buy-back deals are used, those chemical producers who are licensing the technology will also benefit from the returning product.

As he points out: "In the transfer of technology, all the sectors—chemical producers, process contractors, engineering suppliers, chemical merchants, banks, national governments and supra-national bodies—are dealing with the 'stock-in-trade' of the chemical producer, that is, the ability to make chemicals. But for all except the chemical producer it is a one-way transaction."

In the long-term it could be that the industrialisation of the Comecon countries in chemicals will have beneficial effects. The best markets for chemicals have always been those countries which have their own highly developed chemical industries, and eventually it could be that more export markets for highly specialised chemicals will open up in the East Bloc for Western industry. But in the meanwhile the West European chemical industry has got to learn quickly how to live with increasing low-cost imports from the East at a time when its own house is not in the best of order.

## SOME MAJOR COMPENSATION DEALS SIGNED WITH USSR

COMPANY	YEAR SIGNED	DESCRIPTION OF CONTRACT	VALUE	PRODUCTS TO BE TAKEN BACK
Salzgitter (West Germany)	1972	Supply of 120,000 tons a year low density polyethylene (LDPE) plant	DM12m.	LDPE: 150-200,000 tons in total
Litwin (France)	1973	Supply of 200,000 tons a year polystyrene plants plus 200,000 tons a year polystyrene plants	\$120m.	Polystyrene: over 81 years at about 24,000 tons a year
Montedison (Italy)	1973	Supply of at least 11 plants including urea, polypropylene, acrylonitrile and chlorofluoromethanes	\$800m.	Ammonia: at 250,000 tons a year plus some urea and acrylonitrile
Occidental (U.S.)	1974	Supply of 1m. tons of superphosphoric acid over 20 years beginning 1978	\$200m.	Ammonia: 36m. tons, urea: 20m. tons, phosphate: 20m. tons (over 20 years)
Sole Viscos (Italy)	1975	Supply of 80,000 tons a year caprolactam plant	\$180m.	Caprolactam: more than 200,000 tons
CJB (U.K.)	1977	Supply of 200,000 tons a year high density polyethylene (HDPE) plant	£50m.	HDPE: about 160,000 tons
Davy Powergas/ICI/Clackson Ins (U.K.)	1977	Supply of two 2,500-tons-a-day methanol plants	£147m.	Methanol: about 300,000 tons a year over 10 years

Source: European Chemical News

## MEN AND MATTERS

### Take some letters—after your name

A trial of strength looms between two polite feminist organisations, both of whom proclaim a wish to raise the status of office secretaries in the eyes of their bosses. The more venerable of the two—founded in 1957, and with Baroness Vickers as president—is the Institute of Qualified Private Secretaries; its 2,000 members can, and do, put initials such as FIQPS or AIQPS after their names, depending on whether they are full or associate members. In the other corner is the Association of Personal Assistants and Secretaries, founded three years ago by Mrs. Isabel McPhail, who runs a secretarial agency in Leamington Spa. The supporters of APAS (current membership 1,000), will after five years rise to the dizzy heights of being fellows—some-what reactionary by women's lib terms, maybe—and so will be putting FAPAS after their names.

Mrs. McPhail has gone right into the attack in the latest issue of The Director, by inserting a leaflet labelled "For the attention of the managing director's secretary." This talks in Angela Brazil fashion about the need for teamwork in the office, then urges the girls to ask their bosses to pay the £10 annual subscription.

To avoid stirring up paranoia in a managing director's mind, the leaflet says firmly: "You can assure him that the association isn't any kind of trade union, nor does it ever indulge in collective bargaining on behalf of its members."

While equally shunning any suggestion of militancy, the IQPS takes a very superior view of its rival's way of establishing grounds for membership—a form rather gracelessly headed "Boss's Endorsement." Mrs. Christine Alexander, a committee member, told me that the European summit in Den-

mark's capital coincided with the resignation of the Social Democrat government and nobody quite knew whether the country's ministers had the power to commit themselves to anything. To cap that, the summit came in the middle of the oil crisis; it was enlivened by the unexpected appearance of a party of OPEC spokesmen. For a while, neither the European heads of government nor the OPEC ministers seemed sure what they were up to, on behalf of the hosts. Andersen felt the dilemma acutely.

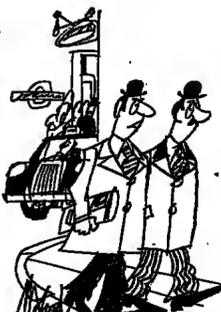
Now he is 63, and although he looks young for his age in the Scandinavian style, he admits to feeling tired just at the thought of the EEC presidency. He commented to our man in Copenhagen: "I have consoled my wife with the thought that if the worst happens and I don't survive the treadmill, in funeral will at least be one of the best that Denmark has ever seen, because it will have to be attended by all nine heads of government and Roy Jenkins as well."

Without intending to make matters worse for readers still feeling queasy from a surfeit of brandy butter and the like, I have to report that the January issue of the British Medical Bulletin is entirely devoted to mucus. It contains learned articles by a galaxy of mucus connoisseurs, including pharmacologists, gynaecologists, respiratory specialists and paediatricians. As the eminent gastroenterologist, Sir Francis Avery Jones, says in his introduction: "We cannot do without mucus, irritating though it may be if there is too much or too little. . . . That's all. You can open your eyes again."

### Anxious host

The news that lawyers and economists in the Danish civil service are planning a travel ban, to lay on pressure for a wage rise, just makes long-serving Foreign Minister Knud Boerge Andersen even more ingenuous about the weeks ahead. On Sunday, Denmark takes over the EEC presidency, and the ban—since it would rule out trips to the EEC mecca, namely Brussels—would scupper Andersen's best-laid plans.

The last time Copenhagen took over the presidency was in 1973, and the chaotic state of affairs then is well recalled by Mrs. Andersen, who was already in the Foreign Ministry saddle. The European summit in Den-



"Healey's pound may have had a good year, but not the one in my pocket!"

## Threadbare

The OECD may fancy that Britain's prospects look relatively hopeful, but a Mrs. Beauman of Islington is not quite so confident. She sends me a letter from Jones Brothers, a branch of the John Lewis Partnership, about a carpet she was hoping to have well before Christmas. The letter says it will not arrive until January, and quotes the manufacturers' reasons why: (a) Industrial action during June, July and August, ending with a strike during September; (b) a fire at the end of August; (c) Considerable yarn quality problems; (d) The power strike; (e) Up-torn in business."

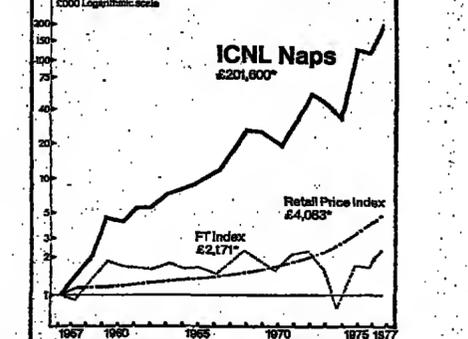
Mrs. Beauman thinks that tells her a lot about the condition of British industry. So perhaps it is fortunate for our international reputation that the Paris pundits had not been trying to buy one of our carpets.

## Southern cross

At present, Airitalia services go no further Down Under than Melbourne; but if they should be extended, there will be quite a party of OPEC spokesmen. For a while, neither the European heads of government nor the OPEC ministers seemed sure what they were up to, on behalf of the hosts. Andersen felt the dilemma acutely.

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## DON'T MISS THE NAP SHARES FOR 1978



At the beginning of every year, the IC News Letter selects a number of shares for capital gain over the following twelve months—its Star Nap Selections. The chart above shows the cumulative 12-month performance of each year's Nap Selections over the last 20 years plus the performance to date of the 1977 Selections which are showing an average gain of 69.4% led by Serck and De La Rue. If you had invested £1,000 in the 1957 Nap Selections and reinvested the proceeds at the end of each year in the annual selections, your initial £1,000 would now be worth £201,600 (before gains tax and expenses) against a mere £217 if you had invested in the FT Index, and £4,083 if you had managed to keep pace with inflation.

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Specialists

# ing The mouse that roared for Disneyland

BY ARTHUR SANDLES

LONDON IS putting up a statue to him: Her Majesty's Post Office has designed a special telephone for him; and television will continue to devote hours to his exploits. Mickey Mouse is 50 years old in 1978, and the world's smallest hero has come a long way since he was born on a train between Chicago and Los Angeles. Mickey has proved to be the foundation stone of a group which last year reached \$630m. in turnover, produced \$82m. in profits, ran the largest amusement park operation in the world and stuck its label on everything from toothbrushes and table lamps to soap bars and shopping bags.

Walt Disney had been in the cartoon business for some years before Mickey came along. Early business ventures had enjoyed mixed fortunes, and in 1929 the Disney's (his older brother Roy was in the business) was his wife Lilly) were on the edge of another disaster in the form of the loss of their prime character, Oswald the Rabbit, to a film distributor who obviously had a talent for contractual traps. Seeking a replacement Disney himself decided that he dreamed up the mouse character on that east-train ride across the States. The legend was that his wife rejected his suggested name of Mortimer for the more chubby one of Mickey. The germ of the story may be there, but in fact Mickey grew to reality from the original Disney idea on the first board of Disney's long-time collaborator Ub Iwerks.

Mickey scarcely looked back at his first few films, but the Disney organisation continued to stumble from problem to problem although somehow it steadily grew. Even some fat cats in the late 1930s were

followed by the wartime removal of much of the Disney export market. Then came competition from television and some threatening words from a very worried Bank of America. Success seemed always to be followed by failure, only for another success to emerge from the ruins. What Cinderella (1950) made, Alice in Wonderland (1951) lost. "Some day I should like to see the position where this company does not have to live from one picture to another," Disney said at the time. Those days have long since been reached. Indeed it could be said that if Disney had lived on the films produced recently the company would be in for a bad time.

Pictures produced in the heyday, however, are still the bread and butter of Disney profits, either directly or indirectly. The films themselves are carefully managed. To-day the Disney organisation produces a new full-length cartoon every three years. Walt himself died in 1966, and the last cartoon he worked on was Lady and the

Tramp. Some might say his absence shows on the film-making side. Animation costs are frightening nowadays and the decision to embark on any new project is a worrying one. The latest Disney cartoon, The Rescuers, cost \$7.5m. to make, but should have a near-eternal life. Disney clearly hopes that several of the cartoon's characters will become revenue sources in their own rights, although none of them are likely to rival the immortal Mickey.

Cartoon films are usually on the road for three years and then withdrawn for seven. "By the time we re-release them," says Disney's marketing man,

make. Coming to the end of their seven years on the shelf there are such money-spinners as Jungle Book and Lady and the Tramp, the re-appearance of both of which is causing some excitement in the toy industry. Between times Disney makes conventional family films. It is tempting to call them pot-boilers although every now and then e Mary Poppins comes along to boost the image. Peter Dragon began its British showing at Christmas to fairly enthusiastic reviews. Next year Disney will be jumping on the sci-fi bandwagon with a picture called Space Station One.

But Disney-to-day is not merely an organisation showing products sales last year, which follow by the same route. close to 70 per cent of both the Standard and Pears 500 index and of the FT Actuaries All Share Index). It is particularly these securities which are subject to the detailed investment research and appraisal of institutional investors and stock exchanges. The smaller market capitalisation companies do not attract the same attention for some good reasons.

Poor marketability is a disadvantage to many institutions and the consequent low level of share turnover does not generate the commission volume to pay for sophisticated investment research on such companies. The good capital performance of small company funds, of high yield (all equity) funds, and of certain recovery funds is clearly evidence that the market is not efficient across its total spectrum. As far as "recovery" funds are concerned the evidence clearly supports the view that the market does not correctly price "riskier" securities. Therefore the experience of Mr. Cartec in no way undermines the validity of the "efficient market" concept when applied to the major market capitalisation stocks as a group. It does support, however, the case for both private and institutional investors to concentrate more effort on seeking out the inefficiently priced stocks and sectors in the market. The efficient market concept suggests that to concentrate a portfolio wholly into the major market capitalisation stocks is the policy likely to lead to the best results, almost, to an average, or "market" performance. Conversely it would be clearly inappropriate for any institutional fund to avoid entirely the major "blue-chip" type stocks. The appropriate mix will vary by fund but one would recommend 60 per cent to 75 per cent of that part of an institutional portfolio, allocated to U.K. equities, should be invested in the major market capitalisation stocks—the balance to be invested outside of such stocks.

P. C. Baker, 19, Hanover Square, W.1.

Toy and clothing manufacturers pay Disney a 5-6 per cent licence fee on the wholesale price of their products, while publishers have to give 5-7 per cent of retail value. On food (there are Disney chocolate bars, honey cakes, and soups) the cut comes down to 2.5 per cent of retail price. Disney took \$97m. in consumer

products sales last year, which puts income from this area of business activity within striking distance of film rentals. The enthusiasm of licence holders for Disney characters appears boundless. When the Greater London Council approved of the erection of a statue to Mickey Mouse, Marks and Spencer volunteered to pay

for the whole project. Disney said "no," and instead all U.K. franchise holders are being asked for £80 each, whatever their size. The hunt is on for a sculptor with a talent for carving giant mice.

One huge mouse in London will, however, be nothing compared with the orgies of Disneyella to be found in Anaheim and Orlando, Florida. California's Disneyland opened in 1955, while the considerably larger Walt Disney World opened in Orlando in 1971. With these two centres alone Disney is by far the biggest theme park operator in the world and no one has yet dared to attempt anything elsewhere on the scale of either project. When Mecca suggested a £100m. British Merrie

England the idea died as economic recession added its weight to the already daunting difficulties of implementing such a scheme. Yet Disney World alone involves an investment of \$700m. so far—and there are a lot more plans for it.

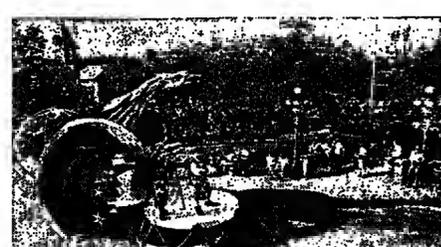
Last year Disney World saw 13m. visitors and Disneyland 10.7m. The same year (to September) Disney recreation and entertainment turnover reached \$415m., while film rentals dropped by more than \$1m. to \$118m.

Disney World and Disneyland embody the whole Disney image. It is one of incredible cleanliness, efficiency and offensiveness. As places of entertainment they are unmatched. See the Land of the Pirates or ride in Space Mountain and no fairground big dipper or haunted house will ever hold the same thrill. Disney World has several large hotels within its borders each itself based on a different characteristic theme, and tours

are run which involve families staying not hours, but days, within this fantasy compound. Now another Disney dream looks like becoming a reality. World Showcase is to be an area of Disney World devoted to individual countries—a sort of permanent World's Fair. The Disney organisation has been trying to get it off the ground for years, with high-powered sales teams whizzing around the globe wooing foreign industry to sponsor space. Each nation will be allocated an area, provided enough local sponsors come forward, to show off products and other regional foods. Showcase gives every sign of becoming a reality, with British companies having signed up along with Arab, German and Japanese organisations among those in the first section.

All this may seem a very long way from Mickey Mouse, who himself has long since retired from his active film star life. His last new picture was in Steamboat Willie in the winter of 1928, his first merchandising contract came in 1930 which was also the year of his first serialised comic strip.

Nice fellow And Walt Disney said of the character which made him a millionaire many times over: "Sometimes I've tried to figure out why Mickey appealed to the whole world. Everybody's tried to figure it out. So far as I know, nobody has. He's a pretty nice fellow who never does anybody any harm, who gets into scrapes through no fault of his own, but always manages to come up grinning. Why, Mickey's even been faithful to one girl, Minnie, all his life. Mickey is so simple and uncomplicated, so easy to understand, that you can't help liking him."



Inoffensive entertainment at Walt Disney World in Florida.



London, Mr. Keith Bales, says there is a whole new generation seeing them as something new. When Snow White had its most recent London opening it took more in a week than it had in its whole first season in the U.K. some 30 years ago, which says a lot both for inflation and Disney appeal. The film cost less than £400,000 to

## Investment in electronics

From the Chairman, *Factor Electronics*  
Sir,—The article on British TV makers by Mrs. Wilkinson (December 17) states that low reliability has caused the British research and development effort to be much inferior to that of its main competitors in Japan and Europe. It further claims that the failure of the British industry to keep pace with the 1980s has partly been caused by the volume of production being too small to justify very large expenditure.

Could it not be that cause and effect have been interchanged? Are not the present poor profitability and low volumes of production a direct result of failure to invest in research and development in the past? What innovations has the industry produced that should have entitled it to retain its market position? Clive Sinclair, London Road, St. Ives, Huntingdon, Cambs.

## Fewer foreign students

From Mr. Jan Toporowski, *Str.*—Your Education Correspondent, Michael Dixon, appears to have had his eyes widened by the Department of Education and Science. In his article in the Financial Times of December 21, he seems to accept without question the apparent necessity to limit the numbers of overseas students either by quotas or by fees. The state would in fact point out that such restrictions will inevitably hit the least advantaged overseas students, namely those who come from a poor country or background and who really need the greatest need of the education that Britain may be able to provide.

It is important to keep the issue of overseas students in perspective. In fact there are only 10,000 overseas students in this country, out of a total of over 300,000 full-time students. The total amount that they will pay in fees this year will be a mere 4 per cent of the £1,155bn. that has been "battered" from the education budget in the past two years. While rarely they may make up a significant proportion of students on a course, their influence on big game education in this country is, financially, marginal. The fee increases (or quotas) are, like the fee increases for home students, just not worth it will that they generate.

There is, however, an important law in the state would in fact save more if there were a higher proportion of overseas students for the simple reason that they pay higher fees than home students do.

Clearly, if Mrs. Wilkinson and the DES are really committed to reducing total educational resources (to the detriment of both home and overseas students) by cutting teachers' salaries, scrapping laboratory work and cutting off the prime properties of the universities, then the arguments for or against the proposition have to be pedagogic and

## Justifying a new bridge

From Mr. David Walker, *Str.*—I agree with Dr. Hallett (December 16) when he says that consumers of public goods should be charged the marginal cost of production—provided there is no congestion. If there is congestion the service should be rationed, and rationing by price is probably fairer than the alternatives (arbitrarily turning back a percentage of potential users, or allowing congestion itself to act as the deterrent).

As Dr. Hallett will appreciate there is an important relationship between the level of toll on the existing bridge and the level of benefits needed to justify a second bridge. However, as a guide, it is likely that the unit level of benefit to justify the second bridge would need to be as high as for the first assuming that the second bridge is in the same real terms and that the traffic forecast for the second is not significantly different from the first. As present levels of vehicle operating costs this is about £3 plus the value of time saved.

The purpose of the toll is not as a revenue generator but as a deterrent. In order to justify a second bridge there must be a suitably large demand to that which justified the first bridge, and if the first bridge is to be tolled increasingly high tolls.

I am not advocating monopoly profits for the Government, but during the transitional period between excess demand for the first bridge and the introduction of the second bridge monopoly profits would indeed be made, or congestion would be allowed to become intolerable. In this, and similar situations, the public feeling is that the public good outweighs the private good of congestion rationing.

David Walker, RPT Economic Studies Group, 28, Maiden Lane, W.C.2.

## Efficiency of the market

From the managing director, *Schlesinger Investment Management Services*  
Sir,—I write concerning the article by Mr. A. H. Carter (December 17, paragraph 5) as regards the "efficient" market debate.

The experience of Mr. Cartec and the views of the proponents of the market's "efficiency" are of not difficult to reconcile. (e.g. Mr. Joel Stornell.) It is not claimed by any proponent of the "efficient market" concept that the stock market is "efficiently" priced every security quoted, or broad grouping of securities. In my opinion the views of the proponents of the efficient market are difficult to reconcile when applied to the lead-refute when applied to the views of market capitalisation stocks in the U.S. and U.K.

## Letters to the Editor

in terms of market capitalisation which currently accounts for close to 70 per cent of both the Standard and Pears 500 index and of the FT Actuaries All Share Index). It is particularly these securities which are subject to the detailed investment research and appraisal of institutional investors and stock exchanges. The smaller market capitalisation companies do not attract the same attention for some good reasons.

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P. C. Baker, 19, Hanover Square, W.1.

## Art of staying in business

From the Managing Director, *Christies*  
Sir,—I was intrigued while looking through the training course schedule issued recently by the Construction Industry Training Board in Northern Ireland, to come across the following two courses: Course Ref. LS1—To teach fundamental principles, including drain laying, concreting, kerbing, flagging, etc. Duration—five weeks full time. Course Ref. EM7—The Art of Staying in Business. Duration—one day.

It is nice to see that someone has got their priorities right! D. M. Christie, P.O. Box No. 5, Bushmills Road, Coleraine, Northern Ireland.

## The burning question

From Mr. Richard Gordon, *Str.*—Your Christmas Eve leader takes modesty to absurdity. The Financial Times is superbly combustible. It transforms the dampest heap of leaves into a beautiful finger of smoke pointing through the still autumnal air that way from suburbia to Heaven, usefully reminding us that the FT Index, MLR, the IMF itself, are but the creations

## Televised terrorism

From *Mirror* General R. S. N. Mans, *Str.*—I am sure I am not alone among your readers in my admiration for the work of Mr. Chris Dunkley: the wide recognition he has gained in the field of television criticism is very well deserved. However, I suggest that by praising the Tonight programme on the IRA the cobbler has strayed from his last and at the same time demonstrated a certain naivete as to the philosophy and motivation of the modern terrorist.

It is not only "vociferous politicians" to use Mr. Dunkley's own words, who question the wisdom of giving overt publicity to terrorists and their supporters but also those who have spent much of their adult lives studying and, in many cases, fighting terrorism.

Terrorists follow a dictum applied described by Bakunin as the propaganda of the deed. They thrive on opportunities to publicise outrage and to flaunt their cause in the forum of public opinion. Thus any publicity afforded them by television, however much a well-meaning producer may think he is preserving a kind of presentism, is a definite aid and comfort to their propaganda machine.

In past conventional wars it has not been customary to invite the enemy to broadcast his views and propaganda. However, in the new context of our times this licence is freely given to the modern enemy with such a platform television renders a singular disservice to those devoted civilians and members of the security forces who risk their lives daily in defence of our community.

I am not suggesting that this all-important subject should never be discussed on television but what I do assert is that much more in-depth analysis of the incubus of terrorism is required by documentary and similar programmes to underline the history and background of the conflict in which we are engaged. In this context the infant television has much to learn from his elder brother—the Press. By and large the British Press has shown remarkable objectivity in reporting the situation in Ulster, at the same time seeking to inform and educate its readers on the reasons for the hatred that is being waged there.

In his authoritative study "Terrorism and the Liberal State" Paul Wilkinson says that there is a kind of Gresham's law of terrorism: "They who spill the most blood get the biggest headlines." This is the real pornography of our time which I suggest television must be prepared to study more closely.

R. S. N. Mans, Kiske House, Brockenhurst, Hants.

## What is wealth?

From Mr. R. Knight, *Str.*—Either the capital value of pension entitlements (including course indexed linked pensions) must be taxed or alternatively the equivalent value must be exempted from the "wealth" that it is suggested should be assessed on those who do not enjoy such pension rights. In this connection it would be interesting to learn what might be considered to be the capital value of an indexed linked pension of, say, £5,000 per annum.

Richard Knight, 82-83, Old Steine, Brighton.

## Realistic view of life

From Mr. M. Arnott, *Str.*—Nicholas Colchester's excellent article (Dec. 20) suggests that productivity can depend more on organisation and design than on investment or harder working workers.

The views of workers themselves on this issue may be of some interest. In recent survey work in industry we have found that 40 per cent of the shop floor believe that increases in their earnings are most likely to come from "improving efficiency in the use of materials and machinery." This compares with only 30 per cent who believe that they will come from "increasing labour productivity." On balance this suggests that the shop floor are in agreement with the findings reported in the article. On a broader front this confirms what we find time and time again. The average shop floor worker in British industry has got a realistic and sensible view of business facts of life.

One of the most important tasks facing management is to involve their workforce more directly in developing more effective work practice. The underlying attitudes are already there. Michael Arnott (Director, Charles Barker Employee Communications Unit), 30 Farringdon Street, E.C.4.

## To-day's Events

- President Cartec begins nine day tour covering Poland, Iran, India, Saudi Arabia, France and Belgium.
- Fire Brigades' Union executive considers degree of support still existing for firemen's strike.
- National Association of Schoolmasters' (Union of Women Teachers') two-day conference opens, Birmingham.
- OFFICIAL STATISTICS  
Energy Trends publication from Department of Energy.
- COMPANY MEETINGS  
M.C.Y. Dart, Barmet, 12, Northam American Trust, Dundee, 12, Sturla (George), Liverpool, 12, Tramwood, Coventry, 3.
- OPERA  
Royal Opera production of Maria Stuarda, Covent Garden, W.C.2, 7.30 p.m.  
English National Opera perform
- Dalibor, Coliseum Theatre, W.C.2, 7.30 p.m.  
P.O. Carte Company in Princess Ida, Sadler's Wells Theatre, E.C.1, 7.30 p.m.  
BALLET  
London Festival Ballet dance The Nutcracker, Royal Festival Hall, S.E.1, 7.30 p.m.
- MUSIC  
Professor Gordon Phillips gives organ recitals at 12.15 and 1.15 p.m., All Hallows by the Tower, Byward Street, E.C.3.

## NOTICE OF REDEMPTION

To the Holders of  
**ENTE NAZIONALE IDROCARBURI**  
E.N.I.  
(National Hydrocarbons Authority)

6 1/2% Sinking Fund Debentures due February 1, 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on February 1, 1978 at the principal amount thereof \$1,319,000 principal amount of said Debentures bearing the following serial numbers:

DEBENTURES OF U.S. \$1,000 EACH																
26-27	2687	4655	6585	8078	8946	10448	11761	12672	14898	15880	16967	17821	18706	20025	21130	22618
28	2474	4678	6071	8088	8959	10463	11788	12673	14903	15888	16975	17829	18714	20033	21138	22626
29	2678	4684	6178	8091	8962	10466	11791	12676	14906	15891	16978	17832	18717	20036	21141	22629
30	2681	4687	6181	8094	8965	10469	11794	12679	14909	15894	16981	17835	18720	20039	21144	22632
31	2684	4690	6184	8097	8968	10472	11797	12682	14912	15897	16984	17838	18723	20042	21147	22635
32	2687	4693	6187	8100	8971	10475	11800	12685	14915	15900	16987	17841	18726	20045	21150	22638
33	2690	4696	6190	8103	8974	10478	11803	12688	14918	15903	16990	17844	18729	20048	21153	22641
34	2693	4699	6193	8106	8977	10481	11806	12691	14921	15906	16993	17847	18732	20051	21156	22644
35	2696	4702	6196	8109	8980	10484	11809	12694	14924	15909	16996	17850	18735	20054	21159	22647
36	2699	4705	6199	8112	8983	10487	11812	12697	14927	15912	16999	17853	18738	20057	21162	22650
37	2702	4708	6202	8115	8986	10490	11815	12700	14930	15915	17002	17856	18741	20060	21165	22653
38	2705	4711	6205	8118	8989	10493	11818	12703	14933	15918	17005	17859	18744	20063	21168	22656
39	2708	4714	6208	8121	8992	10496	11821	12706	14936	15921	17008	17862	18747	20066	21171	22659
40	2711	4717	6211	8124	8995	10499	11824	12709	14939	15924	17011	17865	18750	20069	21174	22662
41	2714	4720	6214	8127	8998	10502	11827	12712	14942	15927	17014	17868	18753	20072	21177	22665
42	2717	4723	6217	8130	9001	10505	11830	12715	14945	15930	17017	17871	18756	20075	21180	22668
43	2720	4726	6220	8133	9004	10508	11833	12718	14948	15933	17020	17874	18759	20078	21183	22671
44	2723	4729	6223	8136	9007	10511	11836	12721	14951	15936	17023	17877	18762	20081	21186	22674
45	2726	4732	6226	8139	9010	10514	11839	12724	14954	15939	17026	17880	18765	20084	21189	22677
46	2729	4735	6229	8142	9013	10517	11842	12727	14957	15942	17029	17883	18768	20087	21192	22680
47	2732	4738	6232	8145	9016	10520	11845	12730	14960	15945	17032	17886	18771	20090	21195	22683
48	2735	4741	6235	8148	9019	10523	11848	12733	14963	15948	17035	17889	18774	20093	21198	22686
49	2738	4744	6238	8151	9022	10526	11851	12736	14966	15951	17038	17892	18777	20096	21201	22689
50	2741	4747	6241	8154	9025	10529	11854	12739	14969	15954	17041	17895	18780	20099	21204	22692
51	2744	4750	6244	8157	9028	10532	11857	12742	14972	15957	17044	17898	18783	20102	21207	22695
52	2747	4753	6247	8160	9031	10535	11860	12745	14975	15960	17047	17901	18786	20105	21210	22698
53	2750	4756	6250	8163	9034	10538	11863	12748	14978	15963	17050	17904	18789	20108	21213	22701
54	2753	4759	6253	8166	9037	10541	11866	12751	14981	15966	17053	17907	18792	20111	21216	22704
55	2756	4762	6256	8169	9040	10544	11869	12754	14984	15969	17056	17910	18795	20114	21219	22707
56	2759	4765	6259	8172	9043	10547	11872									



INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORDIC NEWS

Shippers head for crisis

BY FAY GJESTER OSLO, Dec. 28. BARRING a substantial improvement in the present depressed freight market, 60 Norwegian shipping companies, owning about one-third of Norway's shipping tonnage, will be in serious financial difficulties by 1979.

Disposals at Swedish Match

BY WILLIAM DUFFLORCE STOCKHOLM, Dec. 28. IMMEDIATELY before the Christmas holiday Swedish Match sold its third disinvestment within a week when it sold its match interests and forestry companies in the Philippines to a new company headed by the local Angara group and Nitro Nobel.

Acquisition by Saba

BY OUR NORDIC CORRESPONDENT STOCKHOLM, Dec. 28. J. S. SABA, the Swedish fruit and vegetable trading group, West European banana imports.

Optimism at Lonrho Sugar

BY RICHARD ROLFE JOHANNESBURG, Dec. 28. LONRHO SUGAR Corporation, in Johannesburg, has reported a big increase in output for the season to March 1978.

Syme bid for Standard

BY LAURENCE STEPHENS SYDNEY, Dec. 28. DAVID SYME AND CO., publisher of The Age in Melbourne, has bought the Standard newspaper group.

New group structure for Empain Schneider

PARIS, Dec. 28. EMPAIN-SCHNEIDER, the Franco-Belgian electrical and electrical group, has announced a reorganisation of its activities around three main divisions.

Borel may sell restaurants

AMSTERDAM, Dec. 28. A HOLDING company for Holland's largest supermarket chain, Albert Heijn, is said to be negotiating to take over a number of roadside restaurants.

Prochal plant for Pierrefitte-Auby

THE FRENCH Pierrefitte-Auby group will at the start of next year take over the Montoucu plant of Prochal, Rhône-Poulenc and the Swiss chemical company Ciba-Geigy.

SWISS CAPITAL MARKET

INVESTORS in the Swiss capital market are finding it increasingly hard to raise money. The market has declined in volume to the lowest levels for 14 years.

European banks fill the gap

INTERNATIONAL Combustion Anstalt is raising \$300m for 12 years on a split spread of 1 per cent for the first two years, rising to 1 per cent for the following eight and 1 per cent for the remainder.

American News

Brazil revives debt plan

BY DAVID WHITE RIO DE JANEIRO, Dec. 28. IN A BID to remove part of its debt burden, Brazil is seeking to persuade foreign companies with subsidiaries in Brazil to convert loans made to their Brazilian operations into risk capital.

Westinghouse Come-by-Chance

THE SUPREME Court of Canada will hear an appeal of the order putting the Shaheen Nuclear Resources refinery at Come-by-Chance, Newfoundland, into receivership.

Emergency shipbuilding finance move

BY CHARLES SMITH TOKYO, Dec. 28. JAPAN'S Ministry of Transport is taking emergency action to extend through the Japan Shipbuilding Industry Foundation.

A marked shortage of new paper

October, 1975. Similarly, redemptions of public offerings by the Swiss franc are also possible. The market has declined in volume to the lowest levels for 14 years.

Table with columns: Selected Eurodollar Bond Prices, Mid-Day Indications, Floating Rate Notes. Includes various bond types and their prices.

Additional financial data and market indicators at the bottom of the page.



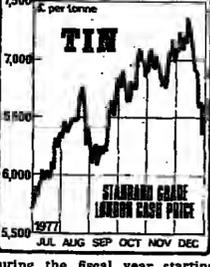
FARMING AND RAW MATERIALS

Platinum quotation up again

Our Commodities Editor STENBURG Platinum Mines...

Tin tumbles on London Metal Exchange

TIN PRICES tumbled again on the London Metal Exchange...



TIN Standard Grade London Cash Price

Japanese Ministry of International Trade and Industry said...

New lows in cocoa market

By Our Commodities Staff COCOA PRICES fell to new 1977 lows...

New Zealand Wool Corporation fights to halt price fall

PROSPECTS FOR New Zealand buyers considered the previous overall average price for the season...

Lowering of the price had an immediate effect. At Napier there was a flurry of activity...

Bradford buyers from Britain have also been particularly active. Although total shipments from New Zealand at this stage of the season are nearly 20 per cent lower...

Potato import ban to continue

BRITISH POTATO growers' confidence received another boost yesterday with the announcement...

Costa Rica to sell coffee at below \$2.10

SAN JOSE, Dec. 28. COSTA RICA authorised the sale of a small amount of medium grade coffee...

Yield of winter wheat falls

WASHINGTON, Dec. 28. THE 1977 U.S. winter wheat crop is forecast at about 1.22 billion bushels...

Ireland's record meat earnings

IRELAND IS estimated to have earned a record \$540m from meat exports during 1977...

Coarser sales types

Despite sales of 25,000 bales from the corporation's stockpile in September and October...

Wheat firm but copper slides back

STAGAN finished higher as rumours circulated that the new contract under the international agreement...

Copper closed on a trade selling. Wheel of copper market has been turned...

Wheat - Chicago close 180.00 (177.00) mostly firm. Corn - Chicago close 1.10 (1.07) mostly firm.

COMMODITY MARKET REPORTS AND PRICES

Table with columns for Metal, Price, and Change. Includes Tin, Silver, and Gold prices.

Table with columns for Commodity, Price, and Change. Includes Wheat, Soybean Meal, and Rubber prices.

PRICE CHANGES

Table showing price changes for various commodities like Wheat, Soybean Meal, and Rubber.

U.S. Markets

Table showing U.S. market prices for Wheat, Soybean Meal, and Rubber.

Investing in Commodities - one-day seminar on Thursday, 2nd February, at the London International Press Centre.

Table with columns for Commodity, Price, and Change. Includes Tin, Silver, and Gold prices.

Table with columns for Commodity, Price, and Change. Includes Wheat, Soybean Meal, and Rubber prices.

Table with columns for Commodity, Price, and Change. Includes Wheat, Soybean Meal, and Rubber prices.

Private dining room and Cinema facilities. The FT private dining room, at Bracken House, provides an ideal City venue for dinner parties and buffet suppers.

Table with columns for Commodity, Price, and Change. Includes Tin, Silver, and Gold prices.

Table with columns for Commodity, Price, and Change. Includes Wheat, Soybean Meal, and Rubber prices.

Table with columns for Commodity, Price, and Change. Includes Wheat, Soybean Meal, and Rubber prices.





AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as British Life Office, Guinness, and others with their respective details and prices.

Table of Offshore and Overseas Funds listing international investment funds like Fidelity, British Overseas, and others with their details and prices.

Table titled 'CLIVE INVESTMENTS LIMITED' showing investment options like Clive Fixed Interest Capital and Clive Fixed Interest Income.

Table titled 'CORAL INDEX: Close 491-496' showing index values for various categories.

Table titled 'INSURANCE BASE RATES' showing rates for Property Growth, Cannon Assurance, and other insurance products.

Table titled 'BASE LENDING RATES' showing interest rates for various banks and financial institutions.

Table titled 'CLASSIFIED ADVERTISEMENT RATES' showing advertising rates for different types of classified ads.

Table titled 'GLAVE INVESTMENTS LIMITED' (continued) with more investment details.

Table titled 'CORAL INDEX: Close 491-496' (continued) with more index data.

Table titled 'INSURANCE BASE RATES' (continued) with more insurance rate information.

Table titled 'BASE LENDING RATES' (continued) with more bank lending rates.

Table titled 'CLASSIFIED ADVERTISEMENT RATES' (continued) with more ad rates.

INSURANCE, PROPERTY, BONDS

Large table listing various insurance, property, and bond products from companies like Abbey Life, Credit & Commerce Insurance, and others.

NOTES section containing important information and disclaimers regarding the fund listings.





INDUSTRIALS—Continued

Table of industrial stocks including Lloyds Bank, British Airways, and various manufacturing companies with columns for stock name, price, and change.

INSURANCE—Continued

Table of insurance companies such as Alliance Assurance, Commercial Union Assurance, and others.

PROPERTY—Continued

Table of property-related stocks including British Land, National Westminster, and others.

INV. TRUSTS—Continued

Table of investment trusts such as British Venture, British Venture, and others.

FINANCE, LAND—Continued

Table of finance and land-related stocks including City of London, City of London, and others.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including British Leyland, British Leyland, and others.

SHIPBUILDERS, REPAIRERS

Table of shipbuilding and repair stocks including Harland & Wolff, Harland & Wolff, and others.

INSURANCE

Table of insurance companies including Alliance Assurance, Commercial Union Assurance, and others.

PROPERTY

Table of property-related stocks including British Land, National Westminster, and others.

TOBACCO

Table of tobacco stocks including B&W, B&W, and others.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks including British Venture, British Venture, and others.

FINANCE

Table of finance-related stocks including City of London, City of London, and others.

INDUSTRIALS

Table of industrial stocks including Lloyds Bank, British Airways, and various manufacturing companies.

INSURANCE

Table of insurance companies including Alliance Assurance, Commercial Union Assurance, and others.

NEW JAPAN SECURITIES Tokyo, Japan London Branch Frankfurt Office Tel. 606 6781-8 Telex 590828

MINES—Continued CENTRAL AFRICAN

AUSTRALIAN

TINS

OVERSEAS TRADERS

COPPER

MISCELLANEOUS

RUBBERS AND SISALS

TEAS

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

TRUSTS, FINANCE, LAND

FINANCE

DIAMOND AND PLATINUM

Options 3-month Call Rates

REGIONAL MARKETS

NOTES

RECENT ISSUES AND RIGHTS



Thistle Field begins oil production soon

BY RAY DAFTER, ENERGY CORRESPONDENT

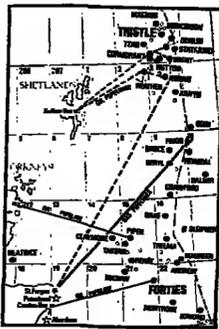
NORTH SEA OIL production is to receive a further boost in the next few days with the commissioning of the important Thistle Field.

Several hundred men have worked offshore throughout the Christmas holiday in a bid to start production by the New Year. Partners in the Thistle venture said yesterday that the first two production wells were virtually ready to yield oil.

The Thistle Field, costing an estimated \$1bn. (over \$525m.) to develop, has about 550m. barrels of recoverable reserves. It is expected to have a peak production rate of 200,000 barrels a day, equivalent to about 10 per cent of Britain's oil needs at the next turn of decade, when the North Sea is expected to make the country self-sufficient in energy.

The field is the first commercial oil field to be operated by the British National Oil Corporation, which apart from its State participation interests has a 16.25 per cent equity stake. Other participants are: Deminex (41.03 per cent); Santa Fe International (16.29 per cent); Tri-centro (19.65 per cent); Burnab (8.1 per cent); Ashland (5.43 per cent); Continental Oil (1.16 per cent); Gulf (1.16 per cent); and the Charterhouse Group (0.96 per cent).

It could be two weeks before the first two Thistle wells are producing oil in commercial quantities.



Pre-commissioning work has been frustrated by mismatched valves, but this problem has been overcome.

Eventually Thistle Oil will be carried to the Sullom Voe terminal in the Shetland Islands via the Brent System pipeline. Until then, it will be taken ashore by three tankers from a single anchor mooring buoy (SALM). It is expected that the tanker Thistle Venture will collect the first consignment.

In the meantime, British Petroleum is preparing to suspend production from its big Forties Field, the most prolific producer in the U.K. sector of the North

Sea and one of eight British fields on stream.

The company said yesterday that the field would be shut for one or two days in early January while a faulty valve on its central Charlie platform was replaced. BP will also take the opportunity to carry out routine maintenance work.

It is understood that a 32-inch valve is not seated correctly. Oil from the field's four platforms is fed into the transmission pipeline through this valve.

Production from Forties is running at an average of 440,000 to 450,000 barrels a day, about half Britain's present North Sea production, and it is expected that the field will reach its peak output of 500,000 barrels a day early in the spring.

Both BP and the Department of Energy said that it was not unusual for fields to be temporarily shut for maintenance and repair. The average production figures made allowance for these interruptions.

The Norwegian Government has again lowered its expectations for oil production from its portion of the North Sea.

The latest revisions are in a prospectus filed by the Norwegian Government for a \$125m. note financing in the U.S. next month.

Norway has lowered her projected peak output of crude oil from 650,000 b/d in 1980. In June she was quoting a 700,000 b/d estimate.

Pound up 3c. on optimistic OECD report

BY MICHAEL BLANDEN

The pound rose sharply in yesterday's foreign exchange market dealing on the strength of the optimistic prospects for the U.K. economy in the Organisation for Economic Co-operation and Development report.

At one stage, sterling was up by over 4 cents against the dollar at \$1.9062, its best level since March last year.

Its value as measured by the official trade-weighted index against a basket of currencies reached 65.4 compared with 64.1 on Friday.

The improvement in the pound partly reflected the early weakness of the dollar ahead of yesterday's announcement of the latest U.S. trade figures.

But dealers reported that in thin trading there was genuine commercial demand for sterling, and the pound held on to most of its gains in a later recovery in the U.S. currency.

By the end of dealing in London, the pound was 3.1 cents up at \$1.8950, with its

index up by 0.5 at 64.6.

The dollar, which before Christmas had a marked recovery as a result of President Carter's statement introducing a modest package of measures to reduce the U.S. deficit, again came under pressure.

The news of the sharp reduction in the U.S. trade deficit last month helped the dollar to recover, but it showed sharp falls against the strong Continental currencies.

It touched a low of DM2.1625 against the West German D-Mark before picking up to close at DM2.1725.

The dollar's trade-weighted depreciation, as calculated by Morgan Guaranty in New York, widened from 4.19 per cent on Tuesday to 4.58 per cent.

The improvement in sterling helped to bolster the more upbeat mood in the gilt-edged market. With hopes of interest rate cuts in the New Year, long-dated stocks saw gains of up to 1/4 with short stocks rising by up to 3 or 5-6pts.

U.S. expects \$27bn. trade deficit

BY DAVID BELL

WASHINGTON, Dec. 28.

THE U.S. trade deficit narrowed last month to \$21bn., the Commerce Department reported today, as Mr. Henry Wallach, a spokesman for the Federal Reserve, defended the dollar in a speech in New York.

The Commerce Department said that although the dollar strike was settled last month it continued to distort the trade figures and, in November, probably meant significant under-reporting of imports.

The department said that it expects the deficit for the year to be about \$27bn., compared to the \$30bn. feared earlier.

In his speech Mr. Wallach conceded that the size of the trade deficit had been an important factor in the recent decline of the dollar.

But he said that the dollar remained fundamentally strong and that the foreign exchange markets have passed through a period of "uncertainties, erroneous perceptions and destabilising speculation."

Mr. Wallach denied that there was less elasticity of demand for U.S. exports. When the markets settled down it would be clear that the decline so that it could "gain a trade advantage."

Rather, "U.S. intervention has been adequate to the degree of disorder in the market."

As disorder has mounted in other countries, real interest rates in those countries of our intervention. But ex-

change market intervention should not and indeed cannot influence basic trends. These trends rest upon fundamentals. Mr. Wallach said that "market psychology" had played a part in obscuring some fundamentals.

He was confident that the Congress would pass energy legislation that would halt the rising trend of oil imports.

The U.S. share in the first six months of this year at 20.0 per cent, was almost identical to the 1971 share of 20.1 per cent.

Mr. Wallach also denied that there had been a real decline in the U.S. share of the exports of the Group of Ten countries.

The U.S. share in the first six months of this year at 20.0 per cent, was almost identical to the 1971 share of 20.1 per cent.

Mr. Wallach also denied that there was less elasticity of demand for U.S. exports. When the markets settled down it would be clear that the decline so that it could "gain a trade advantage."

Rather, "U.S. intervention has been adequate to the degree of disorder in the market." As disorder has mounted in other countries, real interest rates in those countries of our intervention. But ex-

U.K. biscuit group bids for Salerno

BY ANDREW TAYLOR

ASSOCIATED BISCUIT Manufacturers has joined the growing list of major British food groups making takeover bids for U.S. companies. The group announced yesterday that it had signed an agreement to purchase the assets of Salerno-Mezowen Biscuit Company, of Chicago.

The cost of the deal has not been disclosed, but ABM is likely to be paying around \$9.1m. (\$5m.) cash for the company, \$4.1m. (\$2.9m.) in its last balance sheet.

Mr. Christopher Barber, finance director of ABM, said the group had still not finalised financing arrangements but at least part of the purchase price will be raised through U.S. borrowings. U.K. overdraft facilities, with a ceiling of \$10m., would be sufficient to cover any balance required.

A successful takeover would provide Associated Biscuits, one of Britain's two largest biscuit-making groups, with manufacturing capacity in the U.S., which it currently supplies through exports from Canada and the U.K. Sales in the U.S. are expected to top \$25m. this year.

By comparison, Salerno, which sells mainly in the Chicago area, reported a turnover of around £22m. in 1976. Figures for current year are not yet available. The company is privately owned, with more than 50 per cent of the equity controlled by the Salerno family.

Associated Biscuits' manufacturing capacity in North America is at present limited to Peek Frean in Toronto and the David concern in Montreal.

Its rival, United Biscuits, already has a major presence in the U.S. through Keebler, and the group recently announced plans to spend at least half of its \$450m. capital expenditure budget on the expansion of its U.S. operations.

This year, British food groups have announced bids for U.S. companies worth nearly \$300m. J. Walter Thompson has offered \$255m. for National Starch and Chemical, Rank's Hovis McDougall has bought two U.S. companies—Red Wing and Ravario and Fresh—for a total of \$49m. (\$26m.), while Spillers is bidding \$19m. (£10.5m.) for Modern Foods.

Mr. Barber stressed yesterday that agreement on the Associated Biscuits' acquisition had been reached only in principle. The deal is still subject to an auditors' report on Salerno and is unlikely to go through before the end of April.

Home loan rates may drop again

By Michael Cassell, Building Correspondent

IT SEEMS almost certain that the council of the Building Societies Association will recommend further cuts in rates to borrowers and investors when it meets, in a fortnight.

The present 9 1/2 per cent home loan rate, which stood at 12 1/2 per cent at the start of 1977 is likely to be reduced by another 1 per cent, while the investors' rate may fall from 6 per cent to 5 1/2 per cent.

The move will reflect the societies' continuing success in attracting funds and their confidence that, in spite of the recent upward trend in short-term interest rates, they can continue to take in a large volume of deposits.

Net receipts in November reached \$554m., against the record \$590m. in the previous month. In November, 1976, receipts totalled only \$23m. and for a while there was a chance that the mortgage rate could rise beyond 12 1/2 per cent.

Placed

Latest estimates suggest that in spite of the normal pre-Christmas drop in receipts, societies will still have taken in £400m. during December, which would make it among the best months of the year. With every prospect of January being an excellent month for savings, the societies should be ready to contemplate rate reductions from February.

This year the building societies seem to have broken all records. They are expected to have advanced about 750,000 mortgages worth over £8.6bn. Last year they made 715,000 loans worth \$8.1bn.

They are particularly pleased that the record lending programme has not been accompanied by anything other than a modest increase in house prices, averaging around 10 per cent.

However, rising house prices could prove more of a problem. It seems possible that building societies could, on present trends, be lending anything up to £7.5bn. or £8bn. in home buyers.

This, together with a shortage of housing stock and rising incomes, could bring pressure on house prices.

Gazumping warning Page 7

Japan bank rate fall likely next month

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Dec. 28.

JAPAN SEEMS likely to reduce its bank rate next month in order to stimulate flagging business activity.

The cut may be by either 0.5 per cent, or 0.75 per cent, depending on the government's assessment of the economic situation once the New Year holiday is over.

Bank rate was reduced in September as part of a series of measures to stimulate the economy and help in reaching Japan's (now abandoned) growth target of 6.7 per cent for the present fiscal year, which finishes at the end of March.

The deflation measures of the sharp appreciation of the yen (by some 13 per cent between late September and early this month) which destroyed Japan's hopes for high growth and made further

reflationary measures necessary. A January cut would form part of the new series of moves. Tax incentives for private capital investment and saving building are likely to follow.

The news of a probable cut, bringing the rate to its lowest post-war level, comes immediately after indicators suggesting a measure of economic recovery in Japan for last month.

The industrial production index (last month was 2.8 per cent up on October and for the first time exceeded the pre-oil crisis peak at 133.4 against the November 1973 figure of 132.9).

Manufacturers' shipments also rose by 4 per cent—and stocks fell by 0.1 per cent, the third monthly fall running.

While the industrial production index continues to veer, prices seem to be coming down rapidly.

Weather

U.K. TO-DAY

SUNNY spells, rain or wintry showers. London, S.E. England, E. Anglia Sunny spells, wintry showers. Wind NW, moderate. Max. 8-9C (41-43F).

E., S.W., N.W., N.E. and Cent. England, Midlands, Channel Is., Wales Sunny spells, rain later. Sleet or snow on the Wind N.W., moderate or fresh. Max. 6-8C (43-46F).

Lakes, I. of Man, Borders, Scotland, N. Ireland Sleet or snow on hills, wintry showers later. Wind N.W. strong to gale. Max. 6C (43F).

Outlook: Rain or wintry showers.

BUSINESS CENTRES

Table with columns for location, time, and weather conditions for various business centers.

HOLIDAY RESORTS

Table with columns for location, time, and weather conditions for various holiday resorts.

Continued from Page 1

Fed chief

"cornerstone of the world financial system."

With Congress in recess, there was no immediate reaction from its members on Mr. Miller's appointment.

But in Wisconsin Congressman Henry Reuss, long-time scourge of Dr. Burns, said that the appointment sounded "great."

The chairman of the House Banking Committee said that, in particular, Mr. Miller's record on creating jobs was outstanding.

Mr. George Meany, president of the AFL-CIO, America's trade union federation, also welcomed the appointment.

In replacing Dr. Burns, the President is clearly moving away from discredited policies that created the last recession and prevented a speedy recovery," he said.

Continued from Page 1

Imports hit U.K. component-makers

nationals are likely to expand the number of British-produced components in their cars next year as volumes pick up to justify alternative local supplies.

This has been the pattern of manufacturing on the Vauxhall Chevette, first produced largely from imported parts but now with a large percentage of British content.

The number of British parts in the Alpine is growing, though Chrysler has still not met the commitment it made to the Government in early 1976 to use 57 per cent. British components "in the car."

There is also hope that the present industrial relations which will need foreign parts for difficulties, caused largely by the industry's high percentage of skilled engineering workers whose pay differentials have

been eroded, will gradually subside in the New Year.

Most executives in the industry expect imports to stabilise at a higher general level than in the past.

This is partly because manufacturers increasingly seek a second source for virtually every important component—so-called dual sourcing to ensure supplies, and partly because the multinational assemblers are now committed to a policy of integration in Europe which involves a greater exchange of parts.

This higher level of imports will be influenced by continuing increase of foreign cars, all of present industrial relations which will need foreign parts for difficulties, caused largely by the industry's high percentage of skilled engineering workers whose pay differentials have

of dual sourcing arrangements mean that more Continental manufacturers come to Britain to ensure alternative supplies.

U.K. companies have made big strides in serving these needs.

Secondly, the multinational companies are big component exporters as well as importers.

Vauxhall sends several Chevette parts to Germany, and Ford exports engine blocks and other components for the Fiesta.

Though it is difficult to sort out their component exports from the rest of their business, including car sales, all these companies are substantial net exporters to Britain.

The influence of the big vehicle producers on the component industry is one reason for the priority treatment, which the Government continues to

give to sorting out the problems of British Leyland and Chrysler.

Both companies carry the fortunes of many component manufacturers with them in the form of the parts they send away for overseas manufacturing. Much of this business would inevitably be lost for ever if they foundered, causing deep problems in the Midlands engineering industry.

THE LEX COLUMN

Shaping the 1977 accounts

Whatever the favourable implications of the resurgence in confidence which has caused the pound sterling to bound forward by 4 cents against the dollar in the space of two trading days, such a movement in the exchange rate just ahead of the balance-sheet date for many large companies will have dismayed more than a few finance directors.

Yesterday's sterling appreciation alone must have knocked more than 0.5 per cent off the overall 1977 pre-tax profits reported by the average large U.K. company which brings in overseas profits on a closing rate basis.

For those companies, like Hoover, Renold or ICI, which include some translation differences in earnings rather than as extraordinary items, the adverse impact upon reported earnings per share could have been as much as 2 or 3 per cent on this one day.

And this, of course, is only a small part of the impact that has been seen for the whole of 1977, during which sterling has appreciated against the dollar by about 11 per cent, reversing much of the earlier depreciation which cast such a rosy glow over many companies' profits for 1976.

With reported profits also under pressure from other reasons, such as sluggish industrial activity and declining inflation rates, it would not be surprising if finance directors were to feel under a certain amount of obligation to soften the blow in reporting 1977 results.

They certainly have every opportunity this year to take advantage of the stream of new accounting standards and recommendations, making it very hard for the outsider to pinpoint the purely cosmetic changes.

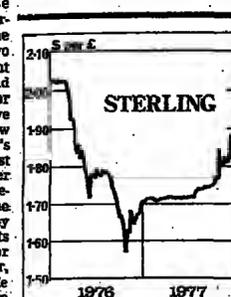
Currency losses

On currency translation, for instance, the recent exposure draft ED 21 called for currency gains and losses to be taken either directly to reserves or, for current items, to be treated as a quasi-extraordinary item not affecting earnings per share.

If companies which last year took such items into earnings were this year to fall in line with the exposure drafts in advance of it becoming a standard, a side-effect would be a much less noticeable dent in reported earnings.

This could also be a year in

Index rose 6.7 to 490.4



in assessing the useful life fixed assets.

There is at least one of accounting point for directors to consider before 1977 accounts are final.

Under the EEC fourth directive to be approved in Brussels, companies will have to write off goodwill against profits. But there is still a need to write the goodwill off against the reserves which, thanks to the deferred tax adjustment need not be badly damaged.

Institutional cash

With the U.K. OECD forecasts that the U.K. balance of payments surplus in 1978 will be larger than that of West Germany, and with the prospect of lower interest rates early in New Year, the gilt-edged market is in a buoyant mood.

But the current optimism is partly based on the assumption that the Government will be in no hurry to tuck any more tax stocks by the end of the financial year, and also that the institutions will continue to commit large chunks of cash to the market.

While it is clear that authorities have no press need to issue any more stocks for the time being, institutional liquidity is nevertheless lower than it has been for long time. At the start of 1977, short term net assets of pension funds and insurance companies amounted to £2.9bn. By the end of the second quarter the insurance companies had run down their liquid somewhat but the pension funds had increased theirs slightly.

The absolute level remained unchanged. However, the quarter saw official net sales of £2.98bn., against institutional cash flow of £1.8bn., and given the calendar of tap issues in the latest quarter institutional liquidity seems certain to have fallen significantly.

Institutional investment property is recovering, there are signs that the right issue queue is once again lengthening. The gilt market could be assured of institutional support when the authorities were issuing stock on redemption yields of over 16 per cent, whether institutions continue to channel such a proportion of their funds to the market at current yields is another matter.

NOTICE OF REDEMPTION

To the Holders of ENTE NAZIONALE IDROCARBURI

E. N. I. (National Hydrocarbons Authority)

6% Sinking Fund Debentures due February 1, 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on February 1, 1978 at the principal amount thereof \$310,000 principal amount of said Debentures bearing the following serial numbers:

Table listing serial numbers of debentures for redemption.

On February 1, 1978, there will become due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as said date is legal tender for the payment thereof of public and private debts, at the option of the holder, either (a) to the corporate trust officer of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main office of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemeen Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourg in Luxembourg.

Debentures surrendered for redemption should have attached all unexercised coupons appurtenant thereto. Coupons due February 1, 1978 should be detached and collected in the usual manner.

From and after February 1, 1978 interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK, Fiscal Agent

December 29, 1977

NOTICE The following Debentures previously called for redemption have not as yet been presented for payment:

Table listing serial numbers of debentures not presented for payment.

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